

# SEAREFICO CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022



## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022

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## SEAREFICO CORPORATION

### CORPORATE INFORMATION

<b>Enterprise registration certificate joint stock company</b>	No. 0301825452 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1999 and the latest 21th amendment dated 28 September 2022.	
<b>Board of Directors</b>	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)
<b>Audit Committee</b>	Mr. Pham Kyle Anh Tuan	Chairman
	Mr. Nguyen Huu Thinh	Member
<b>Investment, Research and Development Committee</b>	Mr. Le Tan Phuoc	Chairman
	Mr. Nishi Masayuki	Member
<b>Human Resources and Remuneration Committee</b>	Mr. Le Quang Phuc	Chairman
	Mr. Nguyen Huu Thinh	Member
<b>Board of Internal Audit under Board of Directors</b>	Ms. Huynh Nhu Phuong	Chief Supervisor (from 1 July 2022)
	Mr. Nguyen Chau Tran	Acting Chief Supervisor (to 30 June 2022)

## SEAREFICO CORPORATION

### GENERAL INFORMATION (continued)

<b>Board of Management</b>	Mr. Vu Xuan Thuc	Chief Executive Officer (from 1 September 2022)
	Mrs. 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 (to 22 December 2022)
	Mr. Huynh Khoi Binh	Deputy General Director (to 22 December 2022)
	Mr. Nguyen Quoc Cuong	Deputy General Director (to 1 July 2022)
	Mr. Phan Thanh Long	Chief Financial Officer (to 31 December 2022)
	Mr. Dinh Ngoc Trien	Chief Accountant (from 12 September 2022)
	Mr. Vuong Tran Quoc Thanh	Chief Accountant (to 11 September 2022)
<b>Legal representative</b>	Mr. Vu Xuan Thuc	Chairman of Board of Directors
<b>Registered office</b>	14 <sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam	



## SEAREFICO CORPORATION

### STATEMENT OF THE BOARD OF MANAGEMENT

#### Statement of responsibility of the Board of Management of the Company in respect of 4th Quarter consolidated financial statements

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the 4th Quarter consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the 4th Quarter consolidated financial position of the Group as at 31 December 2022, and the 4th Quarter consolidated results of its 4th Quarter consolidated operations and its cash flows for the twelve-month period then ended. In preparing these 4th Quarter 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 4th Quarter 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 4th Quarter consolidated financial statements to be prepared which comply with the basis of accounting. 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.

#### Approval of the 4th Quarter consolidated financial statements

We hereby, approve the accompanying 4th Quarter consolidated financial statements as set out on pages 4 to 42 which give a true and fair view of the 4th Quarter consolidated financial position of the Group as at 31 December 2022, and of the 4th Quarter consolidated results of its operations and its 4th Quarter consolidated cash flows for the twelve-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the 4th Quarter consolidated financial statements.

On behalf of the Board of Management



Vũ Xuân Thúc  
Chief Executive Officer  
Ho Chi Minh City, SR Vietnam  
30 January 2023

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,382,336,991,763</b>	<b>1,332,532,232,066</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>4</b>	<b>238,793,514,210</b>	<b>60,499,313,356</b>
111	Cash		77,806,479,608	59,714,313,356
112	cash equivalents		160,987,034,602	785,000,000
<b>120</b>	<b>Short-term investments</b>		<b>117,992,162,805</b>	<b>110,359,200,000</b>
123	Held-to-maturity investments	5	117,992,162,805	110,359,200,000
<b>130</b>	<b>Current accounts receivable</b>		<b>723,252,410,690</b>	<b>782,001,895,799</b>
131	Short-term trade receivables	6	740,636,685,377	726,004,583,852
132	Short-term advances to suppliers	7	51,531,316,963	49,671,980,022
136	Other short-term receivables	8(a)	39,780,055,468	37,664,977,608
139	Provision for short-term doubtful receivables	6	(108,695,647,118)	(31,339,645,683)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>278,936,062,939</b>	<b>333,318,564,993</b>
141	Inventories		281,996,072,539	334,185,494,833
149	Provision for obsolete inventories		(3,060,009,600)	(866,929,840)
<b>150</b>	<b>Other current assets</b>		<b>23,362,841,119</b>	<b>46,353,257,918</b>
151	Short-term prepaid expenses	14	4,031,449,826	2,582,141,019
152	Value-added tax deductible		18,109,282,971	42,787,280,422
153	Tax and other receivables from the State	19	1,222,108,322	983,836,477
<b>200</b>	<b>NON - CURRENT ASSETS</b>		<b>348,914,454,059</b>	<b>520,729,143,686</b>
<b>210</b>	<b>Long-term receivable</b>		<b>2,613,729,919</b>	<b>1,836,601,000</b>
216	Other long-term receivables	8(b)	2,613,729,919	1,836,601,000
<b>220</b>	<b>Fixed assets</b>		<b>259,791,970,916</b>	<b>272,811,914,314</b>
221	Tangible fixed assets	10	256,140,807,646	269,843,368,020
222	<i>Historical Cost</i>		<i>387,597,218,457</i>	<i>385,602,156,131</i>
223	<i>Accumulated depreciation</i>		<i>(131,456,410,811)</i>	<i>(115,758,788,111)</i>
224	Fixed assets of financial leasing	11	1,030,750,000	-
225	<i>Historical Cost</i>		<i>1,030,750,000</i>	-
226	<i>Accumulated depreciation</i>		-	-
227	Intangible assets	12	2,620,413,270	2,968,546,294
228	<i>Historical Cost</i>		<i>6,022,927,119</i>	<i>5,941,197,119</i>
229	<i>Accumulated depreciation</i>		<i>(3,402,513,849)</i>	<i>(2,972,650,825)</i>
<b>240</b>	<b>Long-term assets in progress</b>		<b>33,630,897,821</b>	<b>33,417,126,812</b>
242	Construction in progress	13	33,630,897,821	33,417,126,812
<b>250</b>	<b>Long-term investments</b>	<b>14</b>	<b>5,556,717,362</b>	<b>165,955,372,698</b>
252	Investment in an associate	14(a)	2,100,000,000	161,498,655,336
253	Investment in other entity	14(b)	3,456,717,362	4,456,717,362
<b>260</b>	<b>Other long-term assets</b>		<b>47,321,138,041</b>	<b>46,708,128,862</b>
261	Long-term prepaid expenses	15	32,693,859,713	31,983,351,721
262	Deferred tax assets	25	14,627,278,328	14,724,777,141
<b>270</b>	<b>TOTAL ASSETS</b>		<b><u>1,731,251,445,822</u></b>	<b><u>1,853,261,375,752</u></b>

## CONSOLIDATED BALANCE SHEET (continued)

Code	ASSETS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,302,262,644,775</b>	<b>1,279,580,524,672</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,220,019,772,358</b>	<b>1,182,852,743,920</b>
311	Short-term trade payables	16	380,650,524,395	306,522,366,234
312	Short-term advances from customers	17	208,084,760,842	109,448,135,163
313	Statutory obligations	19	14,324,579,642	8,622,944,187
314	Payables to employees		8,743,231,640	14,636,229,315
315	Short-term accrued expenses	20	147,255,377,929	90,617,043,576
319	Other short-term payables	21(a)	20,414,232,668	31,005,707,596
320	Short-term loans	18(a)	432,796,985,802	607,247,979,184
321	Short-term provision	22	612,019,662	1,376,538,681
322	Bonus and welfare fund	23	7,138,059,778	13,375,799,984
<b>330</b>	<b>Non-current liabilities</b>		<b>82,242,872,417</b>	<b>96,727,780,752</b>
331	Non-current trade payables		635,200,000	-
337	Other long-term liabilities	21(b)	1,160,000,000	3,625,454,585
338	Long-term loans	18(b)	78,335,260,667	90,578,404,417
342	Long-term provision	24	2,112,411,750	2,523,921,750
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>428,988,801,047</b>	<b>573,680,851,080</b>
<b>410</b>	<b>Capital</b>	26	<b>428,988,801,047</b>	<b>573,680,851,080</b>
411	Share capital		355,667,800,000	355,667,800,000
411.1	Shares with voting rights		355,667,800,000	355,667,800,000
412	Share premium		284,019,059	284,019,059
414	Owners' other capital		4,415,811,246	4,415,811,246
415	Treasury shares		(29,238,407,099)	(29,238,407,099)
418	Investment and development fund		8,308,963,938	8,308,963,938
421	Undistributed earnings		412,708,022	144,650,123,767
421.1	Undistributed earnings up to prior year-end		141,706,737,914	115,185,462,889
421.2	Undistributed earnings of current year		(141,294,029,892)	29,464,660,878
429	Non-controlling shareholders	27	89,137,905,881	89,592,540,169
<b>600</b>	<b>TOTAL RESOURCES</b>		<b>1,731,251,445,822</b>	<b>1,853,261,375,752</b>

Nguyen Thanh Tam  
Preparer

Dinh Ngoc Trien  
Chief Accountant



Vũ Xuân Thúc  
Chief Executive Officer  
30 January 2023



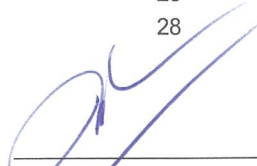
## SEAREFICO CORPORATION

Form: B 02-DN

## CONSOLIDATED BALANCE SHEET

Code	Items	Note	For the three-month period ended 31 December		Year ended 31 December	
			2022 VND	2021 VND	2022 VND	2021 VND
01	Revenues from sale of goods and rendering of services	29	415,653,498,842	433,941,374,543	1,185,608,421,970	930,440,139,439
02	Deductions	29	-	-	-	-
10	Net revenues from sale of goods and rendering of services	29	415,653,498,842	433,941,374,543	1,185,608,421,970	930,440,139,439
11	Costs of goods sold and services rendered	30	490,253,031,832	405,775,136,539	1,202,053,463,945	843,891,078,275
20	Gross profit from sale of goods and rendering of services		(74,599,532,990)	28,166,238,004	(16,445,041,975)	86,549,061,164
21	Finance income	31	5,022,454,148	3,814,297,747	104,902,387,097	12,668,515,570
22	Finance expenses	32	12,151,892,958	8,819,393,568	49,077,492,796	36,730,691,545
23	In which: Interest expense		9,492,791,304	8,755,605,439	38,271,263,029	36,489,486,150
24	Gain or loss from associate		-	3,116,679,393	-	17,358,037,857
25	Selling expenses	33	1,650,534,931	1,129,342,498	3,998,041,538	3,574,053,547
26	General and administrative expenses	34	80,823,297,302	8,778,357,469	157,283,447,086	43,736,291,813
30	Operating profit		(164,202,804,033)	16,370,121,609	(121,901,636,298)	32,534,577,686
31	Other income	35	1,830,948,396	5,471,429,666	3,209,554,526	6,577,174,740
32	Other expenses	35	6,850,101,322	(99,012,859)	8,201,103,819	1,201,250,624
40	Other profit	35	(5,019,152,926)	5,570,442,525	(4,991,549,293)	5,375,924,116
50	Accounting profit before tax		(169,221,956,959)	21,940,564,134	(126,893,185,591)	37,910,501,802
51	Current corporate income tax expense	36	(22,006,832,944)	4,217,931,140	14,339,454,954	5,672,588,879
52	Deferred tax income (expense)	36	25,139,885	(2,303,518,779)	97,498,813	(2,121,875,634)
60	Net profit after tax		(147,240,263,900)	20,026,151,773	(141,330,139,358)	34,359,788,557
61	Profit after tax of shareholders of parent company		(145,444,554,959)	16,351,887,037	(141,294,029,892)	29,464,660,878
62	Profit after tax of non-controlling shareholders		(1,795,708,941)	3,674,264,736	(36,109,466)	4,895,127,679
70	Basic earnings per share	28			(4,182)	872
71	Diluted earnings per share	28			(4,182)	872

  
 Nguyen Thanh Tam  
 Preparer

  
 Dinh Ngoc Trien  
 Chief Accountant



Vu Xuan Thuc  
 Chief Executive Officer  
 30 January 2023

## SEAREFICO CORPORATION

Form: B 03-DN

## CONSOLIDATED CASH FLOW STATEMENT

Code	Items	Note	As	
			31.12.2022 VND	31.12.2021 VND
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>(126,893,185,591)</b>	<b>37,910,501,802</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10;12	16,875,130,755	16,866,016,999
03	(Reversal of) provisions		78,784,562,176	(8,874,750,919))
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts	31;32	(2,260,149,071)	(3,087,573,219)
05	Profits from investing activities	31;32	(95,645,243,189)	(26,174,486,989)
06	Interest expense	32	38,271,263,029	36,489,486,150
07	Other Adjustments		(3,033,701,405)	-
08	<b>Operating profit before changes in working capital</b>		<b>(93,901,323,296)</b>	<b>53,129,193,824</b>
09	Increase (decrease) in receivables		(3,096,575,328)	97,137,497,748
10	Decrease (increase) in inventories		52,362,584,514	(50,304,640,872)
11	Increase (decrease) in payables		214,278,708,353	(38,163,430,153)
12	(Increase) decrease in prepaid expense		(2,205,816,799)	2,004,146,641
14	Interest paid		(38,566,424,904)	(36,234,562,456)
15	Corporate income tax paid	19	(8,384,819,953)	(9,132,132,328)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(9,819,160,881)	(9,102,698,473)
20	<b>Net cash flows from (used in) operating activities</b>		<b>110,667,171,706</b>	<b>9,333,373,931</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase of fixed assets		(1,162,419,181)	(16,910,289,291)
22	Proceeds from disposals of fixed assets		5,050,000	1,184,541,334
23	Loans and purchases of debt instruments of other entities		(267,226,841,189)	(10,359,200,000)
24	Collections of bank deposits		259,593,878,384	78,250,000,000
25	Payments for investments in other entities		1,000,000,000	-
26	Receives from investments in other entities		51,392,880,000	-
27	Interest and dividends received		211,862,482,463	19,388,249,325
30	<b>Net cash flows used in investing activities</b>		<b>255,465,030,477</b>	<b>71,553,301,368</b>

## SEAREFICO CORPORATION

## CONSOLIDATED CASH FLOW STATEMENT (continued)

Form: B 03-DN

Code	Items	Note	As	
			31.12.2022 VND	31.12.2021 VND
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares		-	10,769,040,001
32	Capital redemption		-	-
33	Drawdown of borrowings	18	844,861,497,543	1,503,870,183,391
34	Repayment of borrowings	18	(1,031,555,634,675)	(1,597,617,705,330)
35	Payment of principal of finance lease liabilities			
36	Dividends paid		(1,147,022,250)	(526,611,250)
40	<b>Net cash flows from financing activities</b>		<b>(187,841,159,382)</b>	<b>(83,505,093,188)</b>
50	<b>Net decrease in cash and cash equivalents</b>		<b>178,291,042,801</b>	<b>(2,618,417,889)</b>
60	<b>Cash and cash equivalents at beginning of period</b>	4	<b>60,499,313,356</b>	<b>63,100,216,101</b>
61	Impact of exchange rate fluctuation		3,158,053	17,515,144
70	<b>Cash and cash equivalents at end of period</b>	4	<b>238,793,514,210</b>	<b>60,499,313,356</b>



Nguyen Thanh Tam  
Preparer



Dinh Ngoc Tien  
Chief Accountant



Vu Xuan Thuc  
Chief Executive Officer  
30 January 2023

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 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 28 September 2022.

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 31 December 2022, the Group had 387 employees (as at 30 September 2022: 535 employees)



**1 GENERAL INFORMATION (continued)**

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

	Principal activities	Place of incorporation and operation	31.12.2022		31.12.2021	
			Owner -ship (%)	Voting Rights (%)	Owner -ship (%)	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
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
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
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 owned in Thua Thien Hue Construction Joint Stock Corporation. This divestment was completed on 21 March 2022.



**2 BASIS OF PREPARATION**

**2.1 Basis of preparation of 4th Quarter consolidated financial statements**

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

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

**2.2 Fiscal year**

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

**2.3 Currency**

The 4th Quarter 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 Basis of consolidation**

**(a) Subsidiary**

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

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

**2 BASIS OF PREPARATION (continued)**

**2.4 Basis of consolidation (continued)**

**(b) Associates**

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

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

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

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Trade receivables**

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

**3.3 Inventories**

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

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

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

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.3 Inventories (continued)**

*Provision for decline in value of inventories*

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, deficiency, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

**3.4 Investments**

**(a) Trading securities**

Trading securities are securities, which are held for trading purpose to earn profit. Trading securities are initially recorded at cost of acquisition. They are subsequently measured at cost less provision. The provision for diminution in value of trading securities is made when the cost is higher than its fair value. Profit or loss from liquidation or disposal of trading securities is recorded in the consolidated income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

**(b) Investment in associate**

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

**(c) Investments held to maturity**

Investments held to maturity are investments which the Board of Directors of the Group has positive intention and ability to hold until maturity. Investments held to maturity include term deposits. Those investments are accounted for at cost less provision. Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

**(d) Investments in equity of other entities**

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

**3.5 Fixed assets**

*Tangible and intangible fixed assets*

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Fixed assets (continued)**

*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 - 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 consolidated income statement.

*Construction in progress*

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

**3.6 Leased assets**

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

**3.7 Prepaid expenses**

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

**3.8 Payables**

Classifications of payables are based on their nature as follows:

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

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



**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.9 Borrowing costs**

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

**3.10 Accrued expenses**

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

**3.11 Provisions**

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

**3.12 Provision for severance allowances**

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

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.

**3.13 Share capital**

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

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

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

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.14 Appropriation of net profit**

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

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

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

**(a) Development and investment fund**

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

**(b) Bonus and welfare fund**

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

**3.15 Revenue recognition**

**(a) Sales of goods**

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

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

**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.

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

**(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividends and appropriation of profits**

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

**3.16 Sales deduction**

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

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

**3.17 Cost of construction contracts**

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

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

**3.18 Financial expenses**

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

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

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

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

**3.21 Related parties**

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

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

**3.22 Segment reporting**

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments.



**4 CASH AND CASH EQUIVALENTS**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Cash on hand	720,444,688	361,986,356
Cash at banks	77,086,034,920	59,352,327,000
Cash equivalents (*)	160,987,034,602	785,000,000
<b>TOTAL</b>	<b><u>238,793,514,210</u></b>	<b><u>60,499,313,356</u></b>

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

**5 SHORT-TERM INVESTMENTS**

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

	<b>31.12.2022</b>		<b>31.12.2021</b>	
	<b>Cost</b> <b>VND</b>	<b>Fair value</b> <b>VND</b>	<b>Cost</b> <b>VND</b>	<b>Fair value</b> <b>VND</b>
<b>Short- term</b>				
Term bank deposit with the original maturity of more than three months	<u>117,992,162,805</u>	<u>117,992,162,805</u>	<u>110,359,200,000</u>	<u>110,359,200,000</u>

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**6 SHORT-TERM TRADE RECEIVABLES**

	31.12.2022 VND	31.12.2021 VND
Trade receivables from customers	740,636,685,377	726,004,583,852
<i>In which:</i>		
<i>Central Construction Joint Stock Company</i>	221,677,266,018	-
<i>Industrial Construction Joint Stock Company</i>	84,360,709,259	84,360,709,259
<i>Syrena Phu Quoc Land Joint Stock Company</i>	34,590,755,524	30,142,898,589
<i>Construction Joint Stock Company</i>	21,975,604,712	31,975,604,712
<i>Saigon Binh Chau Corporation</i>	21,888,743,960	61,437,508,486
<i>Hai Dang Real Estate Investment Joint Stock Company</i>	4,179,948,608	18,853,173,147
<i>Others</i>	351,963,657,296	499,234,689,659
Trade receivables from related parties	-	-
<b>TOTAL</b>	<b>740,636,685,377</b>	<b>726,004,583,852</b>
Provision for doubtful short-term receivables	(108,695,647,118)	(31,339,645,683)
<b>NET</b>	<b>631,941,038,259</b>	<b>694,664,938,169</b>

Details of movements of provision for doubtful debt short-term are as follows:

	31.12.2022 VND	31.12.2021 VND
Beginning balance	31.339.645.683	56.018.338.316
Add: Provision created during the year	84.300.730.083	2.407.933.133
Less: Utilisation and reversal of provision during the year	(6.944.728.648)	(10.510.901.068)
Written off	-	(16.575.724.698)
Ending balance	<b>108.695.647.118</b>	<b>31.339.645.683</b>

**7 SHORT-TERM ADVANCES TO SUPPLIERS**

	31.12.2022 VND	31.12.2021 VND
Advances to suppliers	51,330,317,301	49,470,980,360
Advances to related parties	200,999,662	200,999,662
<b>TOTAL</b>	<b>51,531,316,963</b>	<b>49,671,980,022</b>

## 8 OTHER RECEIVABLES

### (a) Other short-term receivables

	31.12.2022 VND	31.12.2021 VND
Third party	39,121,412,180	37,006,334,320
<i>Advance to employees</i>	19,578,309,428	17,643,977,279
<i>Interest income receivables from investment scheme</i>	2,246,872,974	6,553,989,388
<i>Other receivables from employees</i>	3,407,041,591	5,947,819,014
<i>Interest income receivables</i>	3,199,299,160	2,691,587,949
<i>Short-term deposit</i>	8,549,065,705	2,515,176,829
<i>Others</i>	2,140,823,322	1,653,783,861
Related parties	658,643,288	658,643,288
<b>TOTAL</b>	<b>39,780,055,468</b>	<b>37,664,977,608</b>

### (b) Other long - term receivables

	31.12.2022 VND	31.12.2021 VND
Long-term deposit	2,613,729,919	1,836,601,000
<b>TOTAL</b>	<b>2,613,729,919</b>	<b>1,836,601,000</b>

## 9 INVENTORIES

	31.12.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in process	198,668,890,971	-	241,319,785,509	-
Raw materials	62,547,535,806	(3,051,672,638)	72,615,376,534	(858,592,878)
Goods in transit	4,769,449,032	-	7,575,330,718	-
Finished goods	13,311,704,459	(8,336,962)	9,524,188,785	(8,336,962)
Goods	182,927,256	-	222,858,312	-
Goods on consignment	1,037,327,787		1,890,627,188	
Tools and supplies	1,478,237,228		1,037,327,787	
<b>TOTAL</b>	<b>281,996,072,539</b>	<b>(3,060,009,600)</b>	<b>334,185,494,833</b>	<b>(866,929,840)</b>

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

	31.12.2022 VND	31.12.2021 VND
Beginning balance	(866,929,840)	(1,003,684,008)
Add: Provision created during the year	(2,684,794,063)	(5,215,929)
Less: Utilisation and reversal of provision during the year	36,951,803	(2,215,276,731)
Written off		2,357,246,828
Ending balance	<b>(3,060,009,600)</b>	<b>(866,929,840)</b>

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**10 TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	Total
	VND	VND	VND	VND	VND	VND
<b>Historical cost:</b>						
Beginning balance	101,019,395,973	253,588,948,177	24,206,777,620	5,255,806,956	1,531,227,405	385,602,156,131
New purchase	-	1,284,145,398	1,010,167,273	694,008,000	-	2,988,320,671
Transfer from construction in progress	-	79,700,000	-	-	913,791,894	993,491,894
Disposal	(701,279,488)	-	-	-	-	(701,279,488)
Other Reduction	-	(981,380,485)	(35,048,515)	-	(269,041,751)	(1,285,470,751)
Ending balance	<u>100,318,116,485</u>	<u>253,971,413,090</u>	<u>25,181,896,378</u>	<u>5,949,814,956</u>	<u>2,175,977,548</u>	<u>387,597,218,457</u>
<b>Accumulated depreciation:</b>						
Beginning balance	38,664,812,048	64,050,652,252	7,199,148,218	4,503,443,859	1,340,731,734	115,758,788,111
Depreciation for the period	2,738,239,059	11,898,335,556	1,423,861,990	358,533,794	26,297,332	16,445,267,731
Disposal	-	-	-	-	-	-
Ending balance	<u>41,031,496,342</u>	<u>75,948,987,808</u>	<u>8,552,961,693</u>	<u>4,861,977,653</u>	<u>1,060,987,315</u>	<u>131,456,410,811</u>
<b>Net carrying amount:</b>						
Beginning balance	<u>62,354,583,925</u>	<u>189,538,295,925</u>	<u>17,007,629,402</u>	<u>752,363,097</u>	<u>190,495,671</u>	<u>269,843,368,020</u>
Ending balance	<u>59,286,620,143</u>	<u>178,022,425,282</u>	<u>16,628,934,685</u>	<u>1,087,837,303</u>	<u>1,114,990,233</u>	<u>256,140,807,646</u>



**11 FIXED ASSETS OF FINANCIAL LEASING**

	<b>Machinery and equipment VND</b>	<b>Total VND</b>
<b>Cost:</b>		
Beginning balance	-	-
New purchase	1,030,750,000	1,030,750,000
Ending balance	<u>1,030,750,000</u>	<u>1,030,750,000</u>
<b>Accumulated amortisation:</b>		
Beginning balance	-	-
Amortisation for the year	-	-
Ending balance	<u>-</u>	<u>-</u>
<b>Net carrying amount:</b>		
Beginning balance	-	-
Ending balance	<u>1,030,750,000</u>	<u>1,030,750,000</u>

**12 INTANGIBLE ASSETS**

	<b>Computer software VND</b>	<b>Total VND</b>
<b>Cost:</b>		
Beginning balance	5,941,197,119	5,941,197,119
New purchase	81,730,000	81,730,000
Ending balance	<u>6,022,927,119</u>	<u>6,022,927,119</u>
<b>Accumulated amortisation:</b>		
Beginning balance	2,972,650,825	2,972,650,825
Amortisation for the year	429,863,024	429,863,024
Ending balance	<u>3,402,513,849</u>	<u>3,402,513,849</u>
<b>Net carrying amount:</b>		
Beginning balance	2,968,546,294	2,968,546,294
Ending balance	<u>2,620,413,270</u>	<u>2,620,413,270</u>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
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**13 CONSTRUCTION IN PROGRESS**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Investment in Phu Quoc Office	13,704,464,512	13,704,464,512
Investment in Da Nang Apartments	13,065,337,500	13,065,337,500
Machinery and equipment upgrade	1,888,510,232	1,861,880,697
Factory construction	1,482,881,362	206,242,799
Machinery and equipment purchasing	658,554,287	309,770,633
ERP System	-	2,970,701,405
Others	2,831,149,928	1,298,729,266
<b>TOTAL</b>	<b><u>33,630,897,821</u></b>	<b><u>33,417,126,812</u></b>

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

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Opening balance	33,417,126,812	35,697,071,058
Purchases	1,207,262,903	12,570,157,266
Transfers to tangible fixed assets	(993,491,894)	(14,850,101,512)
<b>Closing balance</b>	<b><u>33,630,897,821</u></b>	<b><u>33,417,126,812</u></b>



14 LONG-TERM INVESTMENTS

(a) Investment in an associate

	31.12.2022		31.12.2021	
	<i>Cost of investment VND</i>	<i>% of ownership VND</i>	<i>Cost of investment VND</i>	<i>% of ownership VND</i>
Thua Thien Hue Construction Joint Stock Company ("HCC")	-	-	159,398,655,336	36.00
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu")	1,200,000,000	11.34	1,200,000,000	11.34
"SEA MH Solar Limited Company ("SEA MH Solar")"	900,000,000	11.34	900,000,000	11.34
<b>Total</b>	<b>2,100,000,000</b>		<b>161,498,655,336</b>	
<b>Cost of investment</b>	<b>Quang Phu</b>		<b>SEA MH Solar</b>	<b>HCC*</b>
Ending balance	1,200,000,000		900,000,000	-
<b>Accumulated share profit of the associates:</b>				
Beginning balance	1,200,000,000		900,000,000	159,398,655,336
Share in post-acquisition profit of associates				-
Divestments			(159,398,655,336)	
Ending balance	1,200,000,000		900,000,000	-
<b>Net carrying amount</b>				
Beginning balance	1,200,000,000		900,000,000	159,398,655,336
Ending balance	1,200,000,000		900,000,000	-

(\*) On 17 January 2022, the Board of Management of Searefico 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.

(b) Investment in other entity

	31.12.2022		31.12.2021	
	<i>Cost of investment VND</i>	<i>% of ownership VND</i>	<i>Cost of investment VND</i>	<i>% of ownership VND</i>
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
<b>Total</b>	<b>3,456,717,362</b>		<b>4,456,717,362</b>	

15 PREPAID EXPENSES

	31.12.2022 VND	31.12.2021 VND
<b>Short-term</b>		
Tools and supplies	574,757,736	774,670,372
Prepaid expenses of overheads	1,756,447,976	994,104,681
Others	1,700,244,114	813,365,966
<b>Total</b>	<b>4,031,449,826</b>	<b>2,582,141,019</b>
<b>Long-term</b>		
Tools and supplies	3,183,129,187	2,129,479,916
Land rental	26,426,612,031	27,615,179,422
Others	3,084,118,495	2,238,692,383
<b>Total</b>	<b>32,693,859,713</b>	<b>31,983,351,721</b>

16 SHORT- TERM TRADE ACCOUNTS PAYABLE

	31.12.2022		31.12.2021	
	Value VND	Number of able to repay debt VND	Value VND	Number of able to repay debt VND
Third parties	380,650,524,395	380,650,524,395	296,714,656,159	296,714,656,159
<i>Ns Bluescope Vietnam Limited</i>	25,540,596,120	25,540,596,120	3,403,456,478	3,403,456,478
<i>Dang Viet Construction Joint Stock Company</i>	22,913,157,980	22,913,157,980	-	-
<i>The Minh Co.,Ltd</i>	13,378,303,958	13,378,303,958	17,827,619,781	17,827,619,781
<i>System Logistics Spa</i>	4,560,223,035	4,560,223,035	17,575,969,372	17,575,969,372
<i>Others</i>	314,258,243,302	314,258,243,302	257,907,610,528	257,907,610,528
Related parties	-	-	9,807,710,075	9,807,710,075
<b>TOTAL</b>	<b>380,650,524,395</b>	<b>380,650,524,395</b>	<b>306,522,366,234</b>	<b>306,522,366,234</b>

17 SHORT-TERM ADVANCES FROM CUSTOMERS

	31.12.2022		31.12.2021	
	Value VND	Number of able to repay debt VND	Value VND	Number of able to repay debt VND
Third parties	208,084,760,842	208,084,760,842	109,448,135,163	109,448,135,163
<i>Hoa Binh Construction Group Joint Stock Company</i>	47,538,005,255	47,538,005,255	-	-
<i>Long An Investment Single- Member Limited Liability Company</i>	42,000,000,000	42,000,000,000	-	-
<i>Kien A Khanh Hoa Investment Joint Stock Company</i>	18,967,583,007	18,967,583,007	17,319,262,094	17,319,262,094
<i>Arc Binh Duong Corporation</i>	-	-	19,225,734,628	19,225,734,628
<i>Others</i>	99,579,172,580	99,579,172,580	72,903,138,441	72,903,138,441
<b>TOTAL</b>	<b>208,084,760,842</b>	<b>208,084,760,842</b>	<b>109,448,135,163</b>	<b>109,448,135,163</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**

For the period ended 31 December 2022

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**18 LOANS**

**(a) Short-term loans (\*)**

	31.12.2021				31.12.2022	
	Value VND	Number of able to repay debt VND	Increase VND	Decrease VND	Value VND	Number of able to repay debt VND
<b>Short-term loans from banks</b>	<b>597,247,979,184</b>	<b>597,247,979,184</b>	<b>837,897,222,735</b>	<b>1,015,293,423,117</b>	<b>419,851,778,802</b>	<b>419,851,778,802</b>
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 6	185,080,648,192	185,080,648,192	450,115,587,017	504,511,029,634	130,685,205,575	130,685,205,575
Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	94,184,698,047	94,184,698,047	-	94,184,698,047	-	-
Viet Nam Bank for Social Policies- Transaction Office Lien Chieu Dist	207,760,000	207,760,000	-	207,760,000	-	-
Vietnam Technological and Commercial Joint Stock Bank - Saigon Branch	-	-	142,614,349,862	42,998,641,844	99,615,708,018	99,615,708,018
Military Commercial Joint Stock Bank - Saigon Branch	51,757,120,149	51,757,120,149	30,945,000,641	77,273,511,033	5,428,609,757	5,428,609,757
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	80,824,212,842	80,824,212,842	182,475,385,993	189,483,349,978	73,816,248,857	73,816,248,857
Bank for Investment and Development of Vietnam Joint Stock Company - HCM Branch	185,193,539,954	185,193,539,954	31,746,899,222	106,634,432,581	110,306,006,595	110,306,006,595
<b>Short-term loans from others</b>	<b>-</b>	<b>-</b>	<b>5,148,524,808</b>	<b>2,203,317,808</b>	<b>2,945,207,000</b>	<b>2,945,207,000</b>
Other			5,148,524,808	2,203,317,808	2,945,207,000	2,945,207,000
<b>Long-term loans to maturity</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
<b>Total</b>	<b><u>607,247,979,184</u></b>	<b><u>607,247,979,184</u></b>	<b><u>853,045,747,543</u></b>	<b><u>1,027,496,740,925</u></b>	<b><u>432,796,985,802</u></b>	<b><u>432,796,985,802</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**

For the period ended 31 December 2022

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**18 LOANS (continued)****(a) Long-term loans (\*)**

	31.12.2021		Increase VND	Decrease VND	31.12.2022	
	Value VND	Number of able to repay debt VND			Value VND	Number of able to repay debt VND
Military Commercial Joint Stock Bank- Branch No. 1	9,949,633,876	9,949,633,876	-	1,613,454,132	8,336,179,744	8,336,179,744
Joint Stock Commercial Bank for Foreign Trade of Vietnam - HCM Branch(**)	76,628,770,541	76,628,770,541	-	12,000,000,000	64,628,770,541	64,628,770,541
Tien Phong Commercial Joint Stock Bank- Da Nang Branch	-	-	785,000,000	102,797,618	682,202,382	682,202,382
Chailease International Leasing Company Limited	-	-	1,030,750,000	222,642,000	808,108,000	808,108,000
Other	4,000,000,000	4,000,000,000		120,000,000	3,880,000,000	3,880,000,000
<b>Total</b>	<b><u>90,578,404,417</u></b>	<b><u>90,578,404,417</u></b>	<b><u>1,815,750,000</u></b>	<b><u>14,058,893,750</u></b>	<b><u>78,335,260,667</u></b>	<b><u>78,335,260,667</u></b>

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

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

19 STATUTORY OBLIGATIONS

	31.12.2021 VND	Increase in year VND	Payment in year VND	31.12.2022 VND
<b>Payables</b>				
Domestic value-added tax	2,263,489,204	65,907,927,365	66,795,062,320	1,376,354,249
Import value-added tax	-	11,086,804,721	11,086,804,721	-
Import, export duties	-	2,770,916,803	2,770,916,803	-
Corporate income tax	5,956,883,739	14,958,481,121	8,223,416,542	12,691,948,318
Non-agricultural land use tax		18,904,808	18,904,808	
Others	402,571,244	11,561,392,177	11,707,686,346	256,277,075
<i>Personal income tax</i>	402,071,244	11,542,392,177	11,688,186,346	256,277,075
<i>Business tax</i>	500,000	19,000,000	19,500,000	-
<b>TOTAL</b>	<b>8,622,944,187</b>	<b>106,304,426,995</b>	<b>100,602,791,540</b>	<b>14,324,579,642</b>
<b>Receivables</b>				
Value added tax	42,787,280,422	82,359,774,880	107,037,772,331	18,109,282,971
Import, export duties	-	-	98,831,148	98,831,148
Environmental protection taxes	-	-	780,429,578	780,429,578
Others taxes	983,836,477	2,771,407,894	2,130,419,013	342,847,596
<i>Personal income taxes</i>	983,836,477	2,768,407,894	2,124,419,013	339,847,596
<i>Other taxes</i>	-	3,000,000	6,000,000	3,000,000
<b>Total</b>	<b>43,771,116,899</b>	<b>91,867,674,870</b>	<b>116,783,944,166</b>	<b>19,331,391,293</b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
For the period ended 31 December 2022

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**20 ACCRUED EXPENSES**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Accrued project costs	143,107,127,118	86,173,263,527
Interest expense	552,683,819	986,349,517
Others	3,595,566,992	3,457,430,532
<b>TOTAL</b>	<b><u>147,255,377,929</u></b>	<b><u>90,617,043,576</u></b>

**21 OTHER PAYABLES**

**(a) Other short - term payables**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Other payables to employees	2,436,787,811	6,304,865,564
Social insurance, health insurance and trade union fees	5,080,582,156	3,617,225,699
Dividends payable	596,400,800	596,400,800
Dividend paid to non-controlling interest	1,255,501,750	1,841,774,000
Others	11,044,960,151	18,645,441,533
<b>TOTAL</b>	<b><u>20,414,232,668</u></b>	<b><u>31,005,707,596</u></b>

**(b) Other long - term payables**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Allowances for unemployment benefits for employees	-	3,625,454,585
Other long-term payables	1,160,000,000	-
<b>TOTAL</b>	<b><u>1,160,000,000</u></b>	<b><u>3,625,454,585</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
For the period ended 31 December 2022

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**22 SHORT-TERM PROVISION**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Beginning balance	1,376,538,681	2,011,567,497
Provision during the year	297,385,264	1,489,854,877
Utilised during the year	(1,061,904,283)	(2,124,883,693)
<b>Ending balance</b>	<b><u>612,019,662</u></b>	<b><u>1,376,538,681</u></b>

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

**23 BONUS AND WELFARE FUND**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Beginning balance	13,375,799,984	15,814,687,470
Provision during the year	3,169,910,675	6,574,730,988
Utilised during the year	(9,407,650,881)	(9,013,618,474)
<b>Ending balance</b>	<b><u>7,138,059,778</u></b>	<b><u>13,375,799,984</u></b>

**24 LONG-TERM PROVISION**

Long-term provision mainly represents provision for severance allowance.

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2021</b> <b>VND</b>
Beginning balance	2,523,921,750	2,613,001,750
Provision during the year	-	45,515,400
Utilised during the year	(411,510,000)	(134,595,400)
<b>Ending balance</b>	<b><u>2,112,411,750</u></b>	<b><u>2,523,921,750</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
For the period ended 31 December 2022

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**25 DEFERRED INCOME TAX ASSETS**

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

	31.12.2022 VND	31.12.2021 VND
Opening Balance	14,724,777,141	12,602,901,507
Income statement credit	(97,498,813)	2,121,875,634
<b>Closing balance</b>	<b><u>14,627,278,328</u></b>	<b><u>14,724,777,141</u></b>

Details of deferred CIT assets are as follows:

	31.12.2022 VND	31.12.2021 VND
Deductible temporary difference relating to expenses payable and provisions	3,136,493,005	3,091,404,557
Income from divestment of subsidiary company	6,300,000,000	6,300,000,000
Income from capital contribution with assets	3,113,351,734	3,255,938,995
Loan interest exceeding the specified limit	2,077,433,589	2,077,433,589
	<b><u>14,627,278,328</u></b>	<b><u>14,724,777,141</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**

For the period ended 31 December 2022

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**26 OWNERS' EQUITY**

**(a) Increase and decrease in owners' equity**

	Contributed share capital	Share Premium	Other capital	Treasury Shares	Investment and development fund	Undistributed earnings	TOTAL
	VND	VND	VND	VND	VND	VND	VND
<b>Beginning balance</b>	<u>324,953,970,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>151,993,358,462</u>	<u>460,717,715,606</u>
Net profit for the year	-	-	-	-	-	29,464,660,878	29,464,660,878
Profit appropriation to bonus funds	-	-	-	-	-	(6,094,065,573)	(6,094,065,573)
Dividends declared	30,713,830,000	-	-	-	-	(30,713,830,000)	-
Re-purchase of shares	-	-	-	-	-	-	-
<b>Ending balance</b>	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>144,650,123,767</u>	<u>484,088,310,911</u>
<b>Beginning balance</b>	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>144,650,123,767</u>	<u>484,088,310,911</u>
Net profit for the year	-	-	-	-	-	(141,294,029,892)	(141,294,029,892)
Profit appropriation to bonus funds	-	-	-	-	-	(2,943,385,852)	(2,943,385,852)
Dividends declared	-	-	-	-	-	-	-
<b>Ending balance</b>	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>4,415,811,246</u>	<u>(29,238,407,099)</u>	<u>8,308,963,938</u>	<u>412,708,023</u>	<u>339,850,895,167</u>



**26 OWNERS' EQUITY (continued)**

**(a) Details of contributed share capital**

	<b>31.12.2022</b>		
	<i>Shares</i>	<i>VND</i>	<i>%</i>
Taisei Oncho Co., Ltd	8,909,456	89,094,560,000	25.05
SANYO Engineering & Construction Vietnam Co.,Ltd	7,150,000	71,500,000,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	45,672,000,000	12.84
Other shareholders	13,160,124	131,601,240,000	37.00
Treasury shares	1,780,000	17,800,000,000	5.00
<b>TOTAL</b>	<b>35,566,780</b>	<b>355,667,800,000</b>	<b>100.00</b>

**(b) Shares**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<i>Quantity</i>	<i>Quantity</i>
<b>Authorized shares</b>	<b>35.566.780</b>	<b>35.566.780</b>
<b>Issued shares</b>		
Issued and paid-up shares	35.566.780	35.566.780
<i>Ordinary shares</i>	35.566.780	35.566.780
<b>Treasury shares</b>		
<i>Ordinary shares</i>	(1.780.000)	(1.780.000)
<b>Shares in circulation</b>		
<i>Ordinary shares</i>	33.786.780	33.786.780

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

**(c) Dividends**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>VND</b>	<b>VND</b>
Beginning balance	596,400,800	596,400,800
Dividends declared during the period	-	-
Dividends paid during the period	-	-
<b>Ending balance</b>	<b><u>596,400,800</u></b>	<b><u>596,400,800</u></b>



**27 NON-CONTROLLING INTERESTS**

	31.12.2022 VND	31.12.2021 VND
<b>Beginning balance</b>	<b>89,592,540,169</b>	<b>76,029,718,906</b>
Owner's capital	-	10,391,740,000
Undistributed post-tax profit and dividend	(36,109,466)	4,895,127,679
Appropriation to bonus and welfare fund	(226,524,823)	(480,665,414)
Dividend paid	(192,000,000)	(1,620,681,002)
Repurchase of shares	-	377,300,000
Reissuance treasury shares	-	-
<b>Closing balance</b>	<b><u>89,137,905,881</u></b>	<b><u>89,592,540,169</u></b>

**28 EARNINGS PER SHARE**

	31.12.2022 VND	31.12.2021 VND
Net profit after tax attributable to ordinary equity holders (VND)	(141,294,029,891)	29,464,660,878
Distribution to bonus and welfare fund (VND)		
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	(141,294,029,891)	29,464,660,878
Weighted average number of ordinary shares (share)	33,786,780	33,786,780
Basic and diluted earnings per share (VND)	<u>(4,182)</u>	<u>872</u>

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

**29 REVENUES**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
<b>Gross revenues</b>	<b><u>415,653,498,842</u></b>	<b><u>433,941,374,543</u></b>	<b><u>1,185,608,421,970</u></b>	<b><u>930,440,139,439</u></b>
<i>Of which:</i>				
Revenue from construction contracts	286,357,084,858	326,416,840,238	853,855,546,958	740,563,284,161
Revenue from lease	2,126,357,214	-	2,378,960,595	-
Revenue from sale of goods	119,512,469,680	106,405,102,351	310,778,603,895	187,929,959,853
Others	7,657,587,090	1,119,431,954	18,595,310,522	1,946,895,425
<b>Revenue reduction</b>				
Revenue from sale of goods	-	-	-	-
<b>Net revenues</b>	<b><u>415,653,498,842</u></b>	<b><u>433,941,374,543</u></b>	<b><u>1,185,608,421,970</u></b>	<b><u>930,440,139,439</u></b>
<i>Of which:</i>				
Revenue from other parties	415,653,498,842	433,941,374,543	1,185,608,421,970	930,440,139,439
Revenue from related parties	-	-	-	-

**30 COSTS OF GOODS SOLD AND SERVICES RENDERED**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Cost of construction contracts	365,447,149,255	311,353,930,460	906,038,949,640	685,269,255,379
Cost of goods sold	114,475,964,542	93,949,711,155	285,684,596,270	158,227,572,359
(Reversal of) provision for obsolete inventories	2,193,079,760	(59,509,781)	2,193,079,760	(136,754,168)
Others	8,136,838,275	531,004,705	8,136,838,275	531,004,705
<b>TOTAL</b>	<b><u>490,253,031,832</u></b>	<b><u>405,775,136,539</u></b>	<b><u>1,202,053,463,945</u></b>	<b><u>843,891,078,275</u></b>

**31 FINANCE INCOME**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Interest income	4,725,932,307	1,484,271,494	11,501,437,020	7,945,264,909
Gain on disposal of investment	-	-	87,586,544,664	-
Bond interest received		120,000,000	3,759,763,899	120,000,000
Profit distributed	84,000,000	-	84,000,000	-
Foreign exchange gains incurred during the period	212,521,841	1,048,365,907	1,970,641,514	1,413,778,269
Foreign exchange gains from revaluation	-	1,143,938,222	-	3,087,573,219
Other	-	17,722,124	-	101,899,173
<b>TOTAL</b>	<b><u>5,022,454,148</u></b>	<b><u>3,814,297,747</u></b>	<b><u>104,902,387,097</u></b>	<b><u>12,668,515,570</u></b>

**32 FINANCE EXPENSES**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Loan interest	9,492,791,304	8,755,605,439	38,271,263,029	36,489,486,150
Foreign exchange losses incurred	5,489,614	63,729,597	39,147,178	111,481,146
Foreign exchange losses from revaluation	1,964,723,453	-	2,260,149,071	-
Settlement discount	688,888,587	58,532	849,033,906	129,724,249
Divestment costs	-	-	7,657,899,612	-
<b>TOTAL</b>	<b><u>12,151,892,958</u></b>	<b><u>8,819,393,568</u></b>	<b><u>49,077,492,796</u></b>	<b><u>36,730,691,545</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
For the period ended 31 December 2022

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**33 SELLING EXPENSES**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Staff costs	295,656,416	349,285,897	1,191,881,738	1,154,587,214
Material costs	-	39,035,294	-	47,056,593
Depreciation and amortisation	7,109,847	7,109,847	28,439,388	21,329,541
External service expenses	1,226,007,548	653,536,460	2,649,454,292	2,200,987,719
Others	121,761,120	80,375,000	128,266,120	140,743,998
Provision				9,348,482
<b>TOTAL</b>	<b><u>1,650,534,931</u></b>	<b><u>1,129,342,498</u></b>	<b><u>3,998,041,538</u></b>	<b><u>3,574,053,547</u></b>

**34 GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Staff costs	11,011,100,548	12,435,548,379	52,232,484,717	33,430,490,401
Tools and equipment costs	316,971,835	195,670,191	844,519,042	800,872,680
Depreciation and amortisation	762,578,948	565,024,864	2,426,610,476	2,188,560,860
(Reversal of provision) provisions	59,081,174,168	(10,377,731,973)	77,356,001,435	(8,102,967,935)
External service expenses	4,459,215,682	5,814,721,658	17,516,210,798	13,445,418,121
Others	5,192,256,121	145,124,350	6,907,620,618	1,973,917,686
<b>TOTAL</b>	<b><u>80,823,297,302</u></b>	<b><u>8,778,357,469</u></b>	<b><u>157,283,447,086</u></b>	<b><u>43,736,291,813</u></b>

**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT (continued)**  
For the period ended 31 December 2022

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**35 OTHER INCOME AND EXPENSES**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
<b>Other income</b>	<b>1,830,948,396</b>	<b>5,471,429,666</b>	<b>3,209,554,526</b>	<b>6,577,174,740</b>
Income from disposal	58,317,849	970,450,425	371,397,218	1,184,541,334
Others	1,772,630,547	4,500,979,241	2,828,157,308	5,392,633,406
<b>Other expenses</b>	<b>6,850,101,322</b>	<b>(99,012,859)</b>	<b>8,201,103,819</b>	<b>1,201,250,624</b>
Penalties	624,672,595		829,595,162	32,769,691
Others	6,225,428,727	(99,012,859)	7,371,508,657	1,168,480,933
<b>NET OTHER PROFIT</b>	<b><u>(5,019,152,926)</u></b>	<b><u>5,570,442,525</u></b>	<b><u>(4,991,549,293)</u></b>	<b><u>5,375,924,116</u></b>

**36 CORPORATE INCOME TAX**

**(a) CIT expenses**

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
Current CIT expense	(21,486,804,840)	4,118,689,955	13,946,489,153	5,104,781,893
Adjustment of CIT from prior year	(520,028,104)	99,241,185	392,965,801	567,806,986
Deferred CIT (income) expense	25,139,885	(2,303,518,779)	97,498,813	(2,121,875,634)
<b>TOTAL</b>	<b><u>(21,981,693,059)</u></b>	<b><u>1,914,412,361</u></b>	<b><u>14,436,953,767</u></b>	<b><u>3,550,713,245</u></b>



**36 CORPORATE INCOME TAX (continued)**

**(b) Current CIT**

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

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

	<u>This period</u> <u>VND</u>	<u>Previous period</u> <u>VND</u>	<u>Current year</u> <u>VND</u>	<u>Previous year</u> <u>VND</u>
<b>Net profit before tax</b>	<b>(169,221,956,959)</b>	<b>21,940,564,134</b>	<b>(126,893,185,591)</b>	<b>37,910,501,802</b>
<i>Adjustments:</i>				
Non-deductible expenses	3,248,428,748	5,389,650,757	7,420,735,168	7,538,494,865
Temporary differences	(1,400,907,776)	8,366,137,080	(782,659,872)	7,654,921,355
Shares of profit of an associate	-	(3,116,679,393)	108,005,775,336	(17,358,037,857)
<b>Estimated taxable profit</b>	<b>(167,374,435,986)</b>	<b>32,579,672,578</b>	<b>(12,249,334,959)</b>	<b>35,745,880,165</b>
<i>In which:</i>				
Estimated current taxable profit	(167,353,966,714)	32,673,050,786	(12,287,734,200)	35,234,304,613
Incentive taxable income exemption	-	(93,378,208)	-	-
Estimated tax loss	-	-	38,399,241	511,575,552
<b>Estimated CIT payable</b>	<b>(21,319,020,344)</b>	<b>4,359,773,081</b>	<b>13,635,586,425</b>	<b>5,117,764,157</b>
CIT exemption	(145,233,300)	(4,729,727)	(220,381,736)	(12,982,263)
<b>Estimated CIT after exemption</b>	<b>(21,464,253,644)</b>	<b>4,355,043,354</b>	<b>13,415,204,688</b>	<b>5,104,781,893</b>
Adjustment for CIT from prior period	(542,579,300)	(137,112,214)	924,250,265	567,806,986
<b>Current corporate income tax expense</b>	<b>(22,006,832,944)</b>	<b>4,217,931,140</b>	<b>14,339,454,954</b>	<b>5,672,588,879</b>
Deferred income tax income expense	25,139,885	(2,303,518,779)	97,498,813	(2,121,875,634)
<b>Total corporate income tax expense</b>	<b>(21,981,693,059)</b>	<b>1,914,412,361</b>	<b>14,436,953,767</b>	<b>3,550,713,245</b>

**37 TRANSACTIONS WITH RELATED PARTIES**

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

<b>Related party</b>	<b>Relationship</b>	<b>31.12.2022 VND</b>	<b>31.12.2021 VND</b>
<b>Purchase of good, services and other transactions</b>			
HCC	Purchase of construction services	-	9,758,020,890
	Dividend received	-	10,291,050,000
		<u>-</u>	<u>20,049,070,890</u>

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

<b>Related party</b>	<b>Relationship</b>	<b>31.12.2022 VND</b>	<b>31.12.2021 VND</b>
<b>Prepayments to suppliers</b>			
Formtek Engineering Joint Stock Company ("Formtek")	Related party	Construction services	
		200,999,662	200,999,662
		<u>200,999,662</u>	<u>200,999,662</u>
<b>Other short-term receivables</b>			
International Investment and Water Technology Joint Stock Company	Related party	Interest income	
		658,643,288	658,643,288
		<u>658,643,288</u>	<u>658,643,288</u>

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

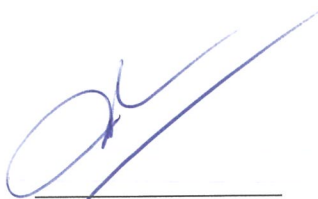
	<b>This period VND</b>	<b>Previous period VND</b>	<b>This period VND</b>	<b>Previous period VND</b>
Allowance for the Boards of Directors	480,000,000	390,000,000	1,920,000,000	1,733,954,319
Salaries and benefits of the Board of Directors, management and key executives	1,099,866,400	331,909,743	9,338,465,836	6,187,809,628
<b>TOTAL</b>	<u>1,579,866,400</u>	<u>721,909,743</u>	<u>11,258,465,839</u>	<u>7,921,763,947</u>

**38 SEGMENT REPORT**


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



Nguyen Thanh Tam  
Preparer



Dinh Ngoc Trien  
Chief Accountant



Vu Xuan Thuc  
Chief Executive Officer  
30 January 2023