

SEAREFICO CORPORATION

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

SEPARATE FINANCIAL STATEMENTS of 2022

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

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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 21th amendment dated 28 September 2022.	
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
Investment, Research and Development Committee	Mr. Le Tan Phuoc	Chairman
	Mr. Nishi Masayuki	Member
Human Resources and Remuneration 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	Mr. Vu Xuan Thuc	Chief Executive Officer (from 1 September 2022)
	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 (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)
Legal representative	Mr. Vu Xuan Thuc	Chief Executive Officer
Registered office	14th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, 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 the twelve-month period separate financial statements

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the twelve-month separate financial statements of the Company which give a true and fair view of the twelve-month separate financial position of the Company as at 31 December 2022, and the twelve-month separate results of its operations and cash flows for the twelve-month period then ended. In preparing these twelve-month separate 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 twelve-month separate financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 Company and which enable the twelve-month separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the twelve-month separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and error.

Approval of the twelve-month separate financial statements

We hereby, approve the accompanying 4th Quarter separate financial statements as set out on pages 4 to 41 which give a true and fair view of the 4th Quarter separate financial position of the Company as at 31 December 2022, and of the 4th Quarter separate results of its operations and its 4th Quarter separate 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 4th Quarter separate financial statements.

On behalf of the Board of Management



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

SEAREFICO CORPORATION

Form: B01-DN

SEPARATE BALANCE SHEET

			As at	
Code	ASSETS	Note	31.12.2022 VND	31.12.2021 VND
100	CURRENT ASSETS		537,961,787,686	697,639,081,578
110	Cash and cash equivalents	4	102,022,909,817	18,248,461,423
111	Cash		839,234,784	18,248,461,423
112	Cash equivalents		101,183,675,033	-
120	Short-term investments		110,000,000,000	110,000,000,000
123	Investment held-to-maturity	5	110,000,000,000	110,000,000,000
130	Current accounts receivable		287,232,677,888	510,560,203,220
131	Short-term trade receivables	6	306,705,071,413	464,506,007,581
132	Short-term prepayments to suppliers	7	14,382,858,944	14,510,474,258
135	Short-term lendings		41,100,000,000	1,150,000,000
136	Other short-term receivables	8(a)	21,433,981,352	49,767,567,153
139	Provision for doubtful debts	6	(96,389,233,821)	(19,373,845,772)
140	Inventories	9	29,981,794,281	35,399,850,396
141	Inventories		29,981,794,281	35,399,850,396
149	Provision for obsolete inventories		-	-
150	Other current assets		8,724,405,700	23,430,566,539
151	Short-term prepaid expenses	14	1,013,480,550	376,351,597
152	Value-added tax deductible	18	7,700,434,146	23,054,214,942
153	Tax and other receivables from the State	18	10,491,004	-
200	LONG-TERM ASSETS		343,691,342,534	403,013,121,277
210	Long-term receivable		1,373,260,000	4,373,260,000
212	Long-term prepayments to suppliers	6.2	-	3,000,000,000
216	Other long-term receivables	8(a)	1,373,260,000	1,373,260,000
220	Fixed assets		1,224,920,988	1,024,186,697
221	Tangible fixed assets	10	1,147,731,544	1,024,186,697
222	<i>Historical Cost</i>		<i>8,434,951,389</i>	<i>8,117,033,655</i>
223	<i>Accumulated depreciation</i>		<i>(7,287,219,845)</i>	<i>(7,092,846,958)</i>
227	Intangible assets	11	77,189,444	-
228	<i>Historical Cost</i>		<i>2,093,356,260</i>	<i>2,011,626,260</i>
229	<i>Accumulated depreciation</i>		<i>(2,016,166,816)</i>	<i>(2,011,626,260)</i>
240	Long-term assets in progress		26,815,802,012	29,803,503,417
242	Construction in progress	12	26,815,802,012	29,803,503,417
250	Long-term investments	13	311,810,906,116	364,203,786,116
251	Investment in a subsidiary	13(a)	308,354,188,754	308,354,188,754
252	Investment in an associate	13(b)	-	51,392,880,000
253	Investment in other entity	13(c)	3,456,717,362	4,456,717,362
260	Other long-term assets		2,466,453,418	3,608,385,047
261	Long-term prepaid expenses	14	-	500,911,491
262	Deferred tax assets	24	2,466,453,418	3,107,473,556
270	TOTAL ASSETS		881,653,130,220	1,100,652,202,855

SEAREFICO CORPORATION


Form: B01-DN

SEPARATE BALANCE SHEET (continued)

Code	RESOURCES	Note	As at	
			31.12.2022 VND	31.12.2021 VND
300	LIABILITIES		506,214,244,523	702,247,108,110
310	Short-term liabilities		504,101,832,773	696,097,731,775
311	Short-term trade payables	15	236,101,933,055	284,338,850,226
312	Short-term advances from customers	16	47,506,984,335	32,080,254,422
313	Tax and other payables to the State Budget	18	11,659,597,115	3,614,157,302
314	Payables to employees		1,120,761,814	1,352,598,009
315	Short-term accrued expenses	19	31,403,494,219	34,337,753,574
319	Other short-term payables	20(a)	16,292,339,718	14,004,157,905
320	Short-term loans	17	154,088,251,459	314,569,387,946
321	Short-term provision	21	480,830,348	606,161,130
322	Bonus and welfare fund	22	5,447,640,710	11,194,411,261
330	Long-term liabilities		2,112,411,750	6,149,376,335
337	Other long-term liabilities	20(b)	-	3,625,454,585
342	Long-term provision	23	2,112,411,750	2,523,921,750
400	OWNERS' EQUITY		375,438,885,697	398,405,094,745
410	Capital	25	375,438,885,697	398,405,094,745
411	Share capital		355,667,800,000	355,667,800,000
411.1	Shares with voting rights		355,667,800,000	355,667,800,000
412	Share premium		284,019,059	284,019,059
415	Treasury shares		(29,238,407,099)	(29,238,407,099)
418	Investment and development fund		5,427,578,589	5,427,578,589
421	Undistributed earnings		43,297,895,148	66,264,104,196
421.1	Undistributed earnings up to prior year-end		64,509,973,663	48,722,798,863
421.2	Undistributed earnings of current year		(21,212,078,515)	17,541,305,333
600	TOTAL RESOURCES		881,653,130,220	1,100,652,202,855



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant




Vu Xuan Thuc
Chief Executive Officer
30 January 2023


SEAREFICO CORPORATION


Form: B 02-DN

SEPARATE INCOME STATEMENT

Code	Items	Notes	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	26	8,454,511,968	43,099,101,045	35,072,898,635	213,265,052,087
02	Deductions	26	-	-	-	-
10	Net revenues from sale of goods and rendering of services	26	8,454,511,968	43,099,101,045	35,072,898,635	213,265,052,087
11	Costs of goods sold and services rendered	27	88,163,957,049	47,127,987,753	106,532,096,387	196,313,008,433
20	Gross profit from sale of goods and rendering of services		(79,709,445,081)	(4,028,886,708)	(71,459,197,752)	16,952,043,654
21	Finance income	28	4,301,309,887	8,847,222,744	212,030,403,421	30,678,531,227
22	Finance expenses	29	3,208,061,601	3,974,922,606	22,877,413,313	20,847,715,923
23	In which: interest expense		2,876,939,265	3,968,011,113	14,839,343,141	20,835,503,660
26	General and administrative expenses	30	72,143,057,939	(3,525,705,592)	125,863,941,759	13,993,500,051
30	Operating profit		(150,759,254,734)	4,369,119,022	(8,170,149,403)	12,789,358,907
31	Other income	31	558,088,380	5,014,019,225	2,713,805,810	7,316,099,872
32	Other expenses	31	259,547,517	-	2,357,055,118	1,479,965,062
40	Other profit	31	298,540,863	5,014,019,225	356,750,692	5,836,134,810
50	Accounting profit before tax		(150,460,713,871)	9,383,138,247	(7,813,398,711)	18,625,493,717
51	Current corporate income tax expense	32	(21,711,963,899)	1,098,150,290	12,757,659,666	1,727,469,490
52	Deferred tax income (expense)	32	616,282,138	(753,187,327)	641,020,138	(643,281,106)
60	Net profit after tax		(129,365,032,110)	9,038,175,284	(21,212,078,515)	17,541,305,333


 Nguyen Thanh Tam
 Preparer


 Dinh Ngoc Trien
 Chief Accountant


 Vu Xuan Thuc
 Chief Executive Officer
 30 January 2023

SEAREFICO CORPORATION

Form: B03-DN

SEPARATE CASH FLOW

Code	ITEMS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		(7,813,398,711)	18,625,493,717
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10;11	575,003,709	826,012,775
03	(Reversal of) provisions		76,890,057,267	(9,053,667,365)
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts	28;29	380,170,560	(2,890,032,809)
05	Profits from investing activities	28;29	(203,302,815,563)	(28,486,824,587)
06	Interest expense	29	14,839,343,141	20,835,503,660
07	Other Adjustments		2.504.971.405	-
08	Operating profit before changes in working capital		(115,926,668,192)	(143,514,609)
09	Increase (decrease) in receivables		214,607,359,790	299,208,313,591
10	Decrease (increase) in inventories		5,418,056,115	(4,482,865,077)
11	Increase (decrease) in payables		(38,589,634,662)	(88,957,652,834)
12	(Increase) decrease in prepaid expenses		(136,217,462)	887,242,352
13	Decrease (increase) in held-for-trading securities		-	-
14	Interest paid		(14,987,198,939)	(20,095,930,024)
15	Corporate income tax paid	18	(3,668,455,533)	(7,760,451,257)
16	Other cash inflows from operating activities		-	-
17	Other cash outflows for operating activities		(7,912,411,084)	(7,187,730,438)
20	Net cash flows from (used in) operating activities		38,804,830,033	171,467,411,704
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(293,008,000)	(48,500,000)
22	Proceeds from disposals of fixed assets		5,050,000	771,404,958
23	Loans and purchases of debt instruments of other entities		(315,991,878,384)	(2,450,000,000)
24	Collections of bank deposits		259,593,878,384	11,300,000,000
25	Payments for investments in other entities		52,392,880,000	(96,670,000,000)
26	Receives from investments in other entities		-	36,850,000,000
27	Interest and dividends received		209,743,832,848	19,750,644,529
30	Net cash flows used in investing activities		205,450,754,848	(30,496,450,513)

SEAREFICO CORPORATION

Form: B03-DN

SEPARATE CASH FLOW (continued)

Code	ITEMS	Note	As at	
			31.12.2022 VND	31.12.2021 VND
	CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	17	144,190,047,971	881,749,363,381
34	Repayment of borrowings	17	(304,671,184,458)	(1,036,811,534,856)
40	Net cash flows from financing activities		(160,481,136,487)	(155,062,171,475)
50	Net decrease in cash and cash equivalents		83,774,448,394	(14,091,210,284)
60	Cash and cash equivalents at beginning of period	4	18,248,461,423	32,339,671,707
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at end of period	4	102,022,909,817	18,248,461,423



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant



Vũ Xuân Thục
Chief Executive Officer
30 January 2023

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

The normal business cycle of the Company is 12 months.

The Company has one branch as follows:

- Danang Refrigeration Electrical Engineering Company – Searefico Corporation ("Searee") incorporated pursuant to the ERC No. 3213000275 issued by the DPI of Da Nang City on 17 January 2000 and the amendments. Searee's registered office is located at Road 10, Hoa Khanh Industrial Zone, Lien Chieu District, Da Nang City.

As at 31 December 2022, the Company had 25 employees (As at 30 September 2022: 29 employees).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2022

Form B 09 – DN

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						
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. BASES OF PREPARATION

2.1 Basis of preparation of separate financial statements

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

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

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

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the twelve-month period ended 31 December 2022 in order to obtain full information of the financial position and results of operations and cash flows of the Group as a whole.

2.2 Fiscal year

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

2.3 Currency

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

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

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised as income or expenses in the 4rd Quarter separate income statement.

2. BASES OF PREPARATION (continued)

2.3 Currency (continued)

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the 4rd Quarter separate balance sheet date of the commercial banks with which the Company regularly transacts. Foreign currencies deposited in banks at the 4rd Quarter separate balance sheet date are translated at the buying exchange rate of the commercial banks where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised as income or expenses in the 4rd Quarter separate income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Trade receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off after 100% provisioning and approval by the Board of Management.

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

3.3 Inventories

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

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

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

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

Provision for decline in value of inventories

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Investments

(a) Trading securities

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

(b) Investments held-to-maturity

Investments held-to-maturity are investments which the Company has positive intention and ability to hold until maturity. Investments held-to-maturity include bank term deposits. Those investments are initially accounted for at cost less provision. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investments are uncollectible in whole or in part. Changes in the provision balance during the accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost. Investments held to maturity are classified into short-term and long-term investments held to maturity on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

(c) Investment in subsidiary

Subsidiary is entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Investment in subsidiary is accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(d) Investment in associate

Associate is the investment that the Company has significant influence but not control and would generally have from 20% to less than 50% of the voting rights of the investee. Investments in associates are accounted for at cost of acquisition including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews the outstanding investment to determine the amount of provision to recognise at the year end.

(e) Investments in equity of other entities

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

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

Disposals

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

Construction in progress

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

3.6 Leased assets

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

3.7 Prepaid expenses

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Payables

Classifications of payables are based on their nature as follows:

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

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

3.9 Borrowing costs

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

3.10 Accrued expenses

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

3.11 Provisions

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

3.12 Provision for severance allowances

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Share capital

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

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

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

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

3.14 Appropriation of net profit

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

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

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

(a) Development and investment fund

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

(b) Bonus and welfare fund

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

3.15 Revenue recognition

(a) Sales of goods

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition (continued)

(b) Revenue from construction contracts

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

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

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

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividends and appropriation of profits

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

3.16 Sales deduction

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

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

3.17 Cost of construction contracts

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

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

3.18 Financial expenses

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 General and administration expenses

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

3.20 Current and deferred income tax

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

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

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

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

3.21 Related parties

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

Form B 09-DN**4 CASH AND CASH EQUIVALENTS**

	31.12.2022 VND	31.12.2021 VND
Cash on hand	-	202,256,980
Cash at banks	839,234,784	18,046,204,443
Cash equivalents (*)	101,183,675,033	-
TOTAL	<u>102,022,909,817</u>	<u>18,248,461,423</u>

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

5 SHORT-TERM INVESTMENTS

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

	31.12.2022		31.12.2021	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Short- term				
Bank deposits with original maturities of more than 3 months and less than 12 months	<u>110,000,000,000</u>	<u>110,000,000,000</u>	<u>110,000,000,000</u>	<u>110,000,000,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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6 SHORT-TERM TRADE RECEIVABLES

	31.12.2022 VND	31.12.2021 VND
Third parties	292,661,691,261	448,878,278,643
<i>Construction Joint Stock Company (DESCON)</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 No. 1 (COFICO)</i>	21,975,604,712	31,975,604,712
<i>Saigon Binh Chau Corporation</i>	21,888,743,960	54,552,933,668
<i>Hai Dang Real Estate Joint Stock Company</i>	4,179,948,608	18,853,173,147
<i>Others</i>	125,665,929,198	228,992,959,268
Related parties	14,043,380,152	15,627,728,938
TOTAL	306,705,071,413	464,506,007,581
Provision for doubtful short-term receivables	(96,389,233,821)	(19,373,845,772)
NET	210,315,837,592	445,132,161,809

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

	31.12.2022 VND	31.12.2021 VND
Beginning balance	19,373,845,772	44,851,052,405
Add: Provision created during the year	83,960,116,697	(8,901,481,935)
Less: Utilisation and reversal of provision during the year	(6,944,728,648)	(16,575,724,698)
Ending balance	96,389,233,821	19,373,845,772

7 SHORT-TERM ADVANCE TO SUPPLIERS

	31.12.2022 VND	31.12.2021 VND
Advances to suppliers	13,480,229,182	8,629,517,483
<i>In which</i>		
<i>CDH Ha Noi Construction Installation & Consultancy Joint Stock Company</i>	3,116,039,148	-
<i>Gia Hung Construction and Import-Export Company Limited</i>	2,343,178,838	2,343,178,838
<i>Sao Phuong Nam Corporation</i>	48,523,040	1,416,571,310
<i>Others</i>	7,972,488,156	4,869,767,335
Advances to related parties	902,629,762	2,880,956,775
TOTAL	14,382,858,944	14,510,474,258

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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8 OTHER SHORT-TERM RECEIVABLES

(a) Other short - term receivables	31.12.2022 VND	31.12.2021 VND
Third party receivables	9,479,588,341	12,364,130,538
<i>Advance to employees</i>	2,499,846,410	3,562,244,439
<i>Other receivables from construction teams</i>	1,362,164,252	1,312,164,252
<i>Other receivables from employees</i>	1,419,460,517	3,570,220,475
<i>Short-term deposit</i>	820,723,376	771,865,334
<i>Interest income receivables</i>	2,886,726,026	2,682,893,699
<i>Dividend receivables</i>	2,702,166,667	7,742,166,667
<i>Others</i>	9,742,894,104	30,126,012,287
Related parties receivables	11,954,393,011	37,403,436,615
TOTAL	21,433,981,352	49,767,567,153

(b) Other long - term receivables	31.12.2022 VND	31.12.2021 VND
Long-term deposit	1,373,260,000	1,373,260,000
TOTAL	1,373,260,000	1,373,260,000

9 INVENTORIES

	31.12.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in process	29,981,794,281	-	35,396,919,097	-
Raw materials	-	-	2,931,299	-
Goods in transit	-	-	-	-
Finished goods	-	-	-	-
Goods	-	-	-	-
TOTAL	29,981,794,281	-	35,399,850,396	-

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

	31.12.2022 VND	31.12.2021 VND
Beginning balance	-	19,157,043
Add: Provision created during the year	-	-
Less: Utilisation and reversal of provision during the year	-	(19,157,043)
Ending balance	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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10 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other assets VND	Total VND
Cost						
Beginning balance	-	905,563,170	4,152,992,727	2,752,436,007	306,041,751	8,117,033,655
New purchase	-	-	-	694,008,000	-	694,008,000
Disposal	-	-	(70,048,515)	-	(306,041,751)	(376,090,266)
Ending balance	-	905,563,170	4,082,944,212	3,446,444,007	-	8,434,951,389
Accumulated depreciation:						
Beginning balance	-	875,285,366	3,353,824,753	2,557,695,088	306,041,751	7,092,846,958
Depreciation for the period	-	18,528,924	332,959,272	218,974,957	-	570,463,153
Disposal	-	-	-	-	-	-
Ending balance	-	893,814,290	3,616,735,510	2,776,670,045	-	7,287,219,845
Net carrying amount:						
Beginning balance	-	30,277,804	799,167,974	194,740,919	-	1,024,186,697
Ending balance	-	11,748,880	466,208,702	669,773,962	-	1,147,731,544

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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11 INTANGIBLE ASSETS

	Computer software VND	Total VND
Cost:		
Beginning balance	2,011,626,260	2,011,626,260
New purchase	81,730,000	81,730,000
Ending balance	<u>2,093,356,260</u>	<u>2,093,356,260</u>
Accumulated amortisation:		
Beginning balance	2,011,626,260	2,011,626,260
Amortisation for the year	4,540,556	4,540,556
Ending balance	<u>2,016,166,816</u>	<u>2,016,166,816</u>
Net carrying amount:		
Beginning balance	-	-
Ending balance	<u>77,189,444</u>	<u>77,189,444</u>

12 CONSTRUCTION IN PROGRESS

	31.12.2022 VND	31.12.2021 VND
Phu Quoc Office	13,704,464,512	13,704,464,512
Hilton Da Nang Apartment	13,065,337,500	13,065,337,500
ERP System	-	2,970,701,405
Other	46,000,000	63,000,000
TOTAL	<u>26,815,802,012</u>	<u>29,803,503,417</u>

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

	31.12.2022 VND	31.12.2021 VND
Opening balance	29,803,503,417	29,803,503,417
Purchases	46,000,000	-
Other reduction	(2,504,971,405)	-
Transfer to tangible fixed assets	(528,730,000)	-
Closing balance	<u>26,815,802,012</u>	<u>29,803,503,417</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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13 LONG-TERM INVESTMENTS

(a) Investment in a subsidiary

	31.12.2022		31.12.2021	
	<i>Cost of investment</i> VND	<i>% of ownership</i> VND	<i>Cost of investment</i> VND	<i>% of ownership</i> VND
Asia Refrigeration Industry Joint Stock Company	96,384,188,754	84.00	96,384,188,754	84.00
SEAREFICO Engineering and Construction Joint Stock Company	148,970,000,000	99.31	148,970,000,000	99.31
Seareal Real Estate Joint Stock Company	63,000,000,000	98.40	63,000,000,000	98.40
Total	308,354,188,754		308,354,188,754	

(a) Asia Refrigeration Industry Joint Stock Company ("Arico") was granted the Enterprise registration certification joint stock company ("ERCJSC") No. 0305429178 dated 22 October 2007 by the DPI of Ho Chi Minh City to transform Arico into a joint stock company. Arico's registered office is located at Lot No. 25-27, Trung Tam Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

(b) Seareal Real Estate Joint Stock Company ("Seareal") was incorporated pursuant to the ERCJSC No. 0315917167 dated 21 September 2019 issued by the DPI of Ho Chi Minh City. Seareal's registered office is located at 72-74 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City, Vietnam. The charter capital of Seareal is VND 100 billion, in which, the Company owns 98.4% of the charter capital. As at 30 June 2022, the Company is being process of capital contribution VND 63 billion.

(c) SEAREFICO Engineering and Construction Joint Stock Company was incorporated pursuant to the ERCJSC No. 0315937244 dated 10 October 2019 issued by the DPI of Ho Chi Minh City, registered office is located at 72-74 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City, Vietnam.

(b) Investment in an associate

	31.12.2022		31.12.2021	
	<i>Cost of investment</i> VND	<i>% of ownership</i> VND	<i>Cost of investment</i> VND	<i>% of ownership</i> VND
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	-	0%	51,392,880,000	36%

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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13 LONG-TERM INVESTMENTS (continued)

(c) 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
Total	<u>3,456,717,362</u>		<u>4,456,717,362</u>	

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

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

14 PREPAID EXPENSES

	31.12.2022 VND	31.12.2021 VND
Short-term		
Tools and supplies	165,196,068	42,251,166
Others	848,284,482	334,100,431
Total	<u>1,013,480,550</u>	<u>376,351,597</u>
Long-term		
Tools and supplies	-	42,613,226
Others	-	458,298,265
Total	<u>-</u>	<u>500,911,491</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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15 SHORT-TERM TRADE PAYABLES

	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	127,913,447,905	127,913,447,905	177,854,887,718	177,854,887,718
Thế Minh Co.,L	13,378,303,958	13,378,303,958	17,827,619,781	17,827,619,781
System Logistic Spa	4,560,223,035	4,560,223,035	17,575,969,372	17,575,969,372
Others	109,974,920,912	109,974,920,912	142,451,298,565	142,451,298,565
Related parties	108,188,485,150	108,188,485,150	106,483,962,508	106,483,962,508
TOTAL	236,101,933,055	236,101,933,055	284,338,850,226	284,338,850,226

16 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	47,506,984,335	47,506,984,335	22,811,254,422	22,811,254,422
Kien A Khanh Hoa Investment Joint Stock Company	18,967,583,007	18,967,583,007	17,319,262,094	17,319,262,094
Saigon Cam Ranh Joint Stock Company	4,758,953,650	4,758,953,650	4,758,953,650	4,758,953,650
Others	23,780,447,678	23,780,447,678	733,038,678	733,038,678
Related parties	-	-	9,269,000,000	9,269,000,000
TOTAL	47,506,984,335	47,506,984,335	32,080,254,422	32,080,254,422

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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17 SHORT-TERM LOANS

	31.12.2021		Increase in year	Payment in year	31.12.2022	
	Value	Number of able to repay debt			Value	Number of able to repay debt
	VND	VND	VND	VND	VND	VND
Short-term loans from banks	309,509,387,946	309,509,387,946	65,104,189,651	253,737,048,797	120,876,528,800	120,876,528,800
Joint Stock Commercial Bank for Foreign Trade of Vietnam Ho Chi Minh Branch	94,184,698,047	94,184,698,047	-	94,184,698,047	-	-
Military Commercial Joint Stock Bank - Saigon Branch	29,259,530,818	29,259,530,818	19,337,317,229	46,596,848,047	2,000,000,000	2,000,000,000
Vietnam Maritime Commercial Stock Bank - Ho Chi Minh Branch	1,546,610,394	1,546,610,394	14,019,981,933	6,621,070,122	8,945,522,205	8,945,522,205
Bank for Investment and Development of Vietnam Joint Stock Company - HCM Branch	184,518,548,687	184,518,548,687	31,746,890,489	106,334,432,581	109,931,006,595	109,931,006,595
Short-term loans from related parties	5,060,000,000	5,060,000,000	79,085,858,320	50,934,135,661	33,211,722,659	33,211,722,659
- Asia Refrigeration Industry Joint Stock Company	500,000,000	500,000,000	7,000,000,000	7,500,000,000	-	-
- SEAREE Refrigeration Electrical Mechanical Joint Stock Company	-	-	11,607,500,000	1,987,000,000	9,620,500,000	9,620,500,000
- Greenpan Joint Stock Company	4,560,000,000	4,560,000,000	-	3,997,157,774	562,842,226	562,842,226
- SEAREFICO Engineering and Construction JSC	-	-	60,478,358,320	37,449,977,887	23,028,380,433	23,028,380,433
TOTAL	314,569,387,946	314,569,387,946	144,190,047,971	304,671,184,458	154,088,251,459	154,088,251,459

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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18 STATUTORY OBLIGATIONS

	31.12.2021	Increase in year	Payment in year	31.12.2022
	VND	VND	VND	VND
Payables				
Domestic value-added tax	970,168,949	30,298,598,252	31,249,430,326	19,336,875
Import value-added tax	-	1,537,930,294	1,537,930,294	-
Special sales tax	-	-	-	-
Import. export duties	-	-	-	-
Corporate income tax	2,482,553,981	12,757,659,666	3,668,455,533	11,571,758,114
Others	161,434,372	4,296,886,888	4,389,819,134	68,502,126
<i>Personal income tax</i>	161,434,372	4,292,886,888	4,385,819,134	68,502,126
<i>Business tax</i>	-	4,000,000	4,000,000	-
TOTAL	3,614,157,302	49,047,957,674	40,845,635,287	11,659,597,115
Receivables				
Domestic value-added tax	23,054,214,942	13,592,637,208	28,946,418,004	7,700,434,146
Import. export duties	-	-	10,491,004	10,491,004
TOTAL	23,054,214,942	13,592,637,208	28,956,909,008	7,710,925,150

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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19 SHORT-TERM ACCRUED EXPENSES

	31.12.2022 VND	31.12.2021 VND
Accrued project costs	30,450,076,708	33,384,336,063
Interest expense	99,830,116	243,417,511
Others	853,587,395	710,000,000
TOTAL	<u>31,403,494,219</u>	<u>34,337,753,574</u>

20 OTHER PAYABLES

(a) Other short-term payables

	31.12.2022 VND	31.12.2021 VND
Other payables to employees	1,635,448,802	1,443,684,925
Social insurance, health insurance and trade union fees	851,759,193	942,916,932
Dividends payable	596,400,800	596,400,800
Others	13,208,730,923	11,021,155,248
TOTAL	<u>16,292,339,718</u>	<u>14,004,157,905</u>

(b) Other long-term payables

	31.12.2022 VND	31.12.2021 VND
Allowances for unemployment benefits for employees	-	3,625,454,585
TOTAL	<u>-</u>	<u>3,625,454,585</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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21 SHORT-TERM PROVISION

	31.12.2022	31.12.2021
	VND	VND
Beginning balance	606,161,130	742,134,517
Provision during the year	24,000,000	84,180,022
Utilised and reversed during the year	(149,330,782)	(220,153,409)
Ending balance	<u>480,830,348</u>	<u>606,161,130</u>

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

22 BONUS AND WELFARE FUND

	31.12.2022	31.12.2021
	VND	VND
Beginning balance	11,194,411,261	13,205,012,295
Appropriation during the year	1,754,130,533	5,085,104,404
Utilised during the year	(7,500,901,084)	(7,095,705,438)
Ending balance	<u>5,447,640,710</u>	<u>11,194,411,261</u>

23 LONG-TERM PROVISION

Long-term provision mainly represents provision for severance allowance.

	31.12.2022	31.12.2021
	VND	VND
Beginning balance	2,523,921,750	2,613,001,750
Provision during the year	-	2,945,000
Utilised and reversed during the year	(411,510,000)	(92,025,000)
Ending balance	<u>2,112,411,750</u>	<u>2,523,921,750</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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24 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:

	31.12.2022 VND	31.12.2021 VND
Beginning of period/year	3,107,473,556	2,464,192,450
Income statement charge	(641,020,138)	643,281,106
End of period/year	<u>2,466,453,418</u>	<u>3,107,473,556</u>

Details of deferred income tax assets are as follows:

	31.12.2022 VND	31.12.2021 VND
Deductible temporary differences in relation to accrued expenses and long-term provisions	896,197,741	1,537,217,879
Interest expenses excess of 30% EBITDA	<u>1,570,255,677</u>	<u>1,570,255,677</u>
	<u>2,466,453,418</u>	<u>3,107,473,556</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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25 OWNERS' EQUITY

(a) Increase and decrease in owners' equity

	Contributed share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	TOTAL
	VND	VND	VND	VND	VND	VND
Beginning balance	<u>324,953,970,000</u>	<u>284,019,059</u>	<u>(29,238,407,099)</u>	<u>5,427,578,589</u>	<u>84,521,733,267</u>	<u>385,948,893,816</u>
Net profit for the year	-	-	-	-	17,541,305,333	17,541,305,333
Profit appropriation to bonus fund	-	-	-	-	(5,085,104,404)	(5,085,104,404)
Dividends declared	30,713,830,000	-	-	-	(30,713,830,000)	-
Re-purchase of shares	-	-	-	-	-	-
Ending balance	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>(29,238,407,099)</u>	<u>5,427,578,589</u>	<u>66,264,104,196</u>	<u>398,405,094,745</u>
Beginning balance	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>(29,238,407,099)</u>	<u>5,427,578,589</u>	<u>66,264,104,196</u>	<u>398,405,094,745</u>
Net profit for the year	-	-	-	-	(21,212,078,515)	(21,212,078,515)
Profit appropriation to bonus fund	-	-	-	-	(1,754,130,533)	(1,754,130,533)
Dividends declared	-	-	-	-	-	-
Ending balance	<u>355,667,800,000</u>	<u>284,019,059</u>	<u>(29,238,407,099)</u>	<u>5,427,578,589</u>	<u>43,297,895,148</u>	<u>375,438,885,697</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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25 OWNERS' EQUITY (continued)

(b) Details of contributed share capital

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

(c) Shares

	31.12.2022	31.12.2021
	<i>Quantity</i>	<i>Quantity</i>
Authorized shares	35,566,780	35,566,780
Issued shares		
Issued and paid-up shares	35,566,780	35,566,780
<i>Ordinary shares</i>	35,566,780	35,566,780
Treasury shares		
<i>Ordinary shares</i>	(1,780,000)	(1,780,000)
Shares in circulation		
<i>Ordinary shares</i>	33,786,780	33,786,780

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

(d) Dividends

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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26 REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES

	<u>This period</u> VND	<u>Previous period</u> VND	<u>Current year</u> VND	<u>Previous year</u> VND
REVENUES	<u>8,454,511,968</u>	<u>43,099,101,045</u>	<u>35,072,898,635</u>	<u>213,265,052,087</u>
Gross revenues				
<i>Of which:</i>				
Revenue from construction contracts	6,077,405,923	36,941,255,792	24,220,300,339	201,683,844,681
Revenue from lease	-	-	-	-
Revenue from sale of goods	2,377,106,045	1,695,048,250	2,497,242,894	2,838,292,211
Revenue from other services	-	4,462,797,003	8,355,355,402	8,742,915,195
Revenue deduction	-	-	-	-
Net revenues	<u>8,454,511,968</u>	<u>43,099,101,045</u>	<u>35,072,898,635</u>	<u>213,265,052,087</u>
<i>Of which:</i>				
Revenue from other parties	8,454,511,968	37,321,261,364	26,642,643,233	203,781,886,449
Revenue from related parties	-	5,777,839,681	8,430,255,402	9,483,165,638

27 COSTS OF GOODS SOLD AND SERVICES RENDERED

	<u>This period</u> VND	<u>Previous period</u> VND	<u>Current year</u> VND	<u>Previous year</u> VND
Cost of construction contracts	84,728,852,064	44,394,039,247	102,976,854,553	192,435,874,322
Cost of lease	-	-	-	-
Cost of goods sold	3,435,104,985	2,753,047,244	3,555,241,834	3,896,291,154
(Reversal of) provision for obsolete inventories	-	(19,098,738)	-	(19,157,043)
TOTAL	<u>88,163,957,049</u>	<u>47,127,987,753</u>	<u>106,532,096,387</u>	<u>196,313,008,433</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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28 Finance income

	<u>This period</u>	<u>Previous period</u>	<u>Current year</u>	<u>Previous year</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Interest income	4,301,309,887	1,563,489,004	10,595,581,276	6,482,772,612
Gain on disposal of investment	-	-	195,592,320,000	-
Dividends earned	-	-	-	10,291,050,000
Profit shared from subsidiary	-	6,048,000,000	1,008,000,000	8,568,000,000
Foreign exchange gains incurred during the period	-	6,819,785	1,074,738,246	73,078,789
Foreign exchange gains from revaluation	-	1,125,407,223	-	2,890,032,809
Bond interest received	-	(2,270,090,285)	3,759,763,899	-
Others	-	2,373,597,017	-	2,373,597,017
TOTAL	<u>4,301,309,887</u>	<u>8,847,222,744</u>	<u>212,030,403,421</u>	<u>30,678,531,227</u>

29 FINANCE EXPENSES

	<u>This period</u>	<u>Previous period</u>	<u>Current year</u>	<u>Previous year</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
- Loan interest	2,876,939,265	3,968,011,113	14,839,343,141	20,835,503,660
- Foreign exchange losses incurred	-	6,911,493	-	12,212,263
- Foreign exchange losses from revaluation	331,122,336	-	380,170,560	-
- Divestment costs	-	-	7,657,899,612	-
TOTAL	<u>3,208,061,601</u>	<u>3,974,922,606</u>	<u>22,877,413,313</u>	<u>20,847,715,923</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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30 GENERAL AND ADMINISTRATIVE EXPENSES

	<u>This period</u> VND	<u>Previous period</u> VND	<u>Current year</u> VND	<u>Previous year</u> VND
Staff costs	5,908,083,142	4,318,794,035	33,927,044,007	14,362,438,613
Tools and equipment costs	43,602,074	32,301,324	117,523,185	140,761,626
Depreciation and amortisation	465,910,386	184,921,973	845,706,856	649,148,237
(Reversal of provision) provisions	58,772,081,688	(11,150,463,174)	77,015,388,049	(8,901,481,935)
External service expenses	3,176,299,882	3,069,126,247	10,121,707,458	7,565,436,614
Others	3,777,080,767	19,614,003	3,836,572,204	177,696,896
TOTAL	<u>72,143,057,939</u>	<u>(3,525,705,592)</u>	<u>125,863,941,759</u>	<u>13,993,500,051</u>

31 OTHER INCOME AND EXPENSES

	<u>This period</u> VND	<u>Previous period</u> VND	<u>Current year</u> VND	<u>Previous year</u> VND
Other income	558,088,380	5,014,019,225	2,713,805,810	7,316,099,872
Others	558,088,380	5,014,019,225	2,713,805,810	7,316,099,872
Other expenses	259,547,517	-	2,357,055,118	1,479,965,062
Others	259,547,517	-	2,357,055,118	1,479,965,062
NET OTHER PROFIT	<u>298,540,863</u>	<u>5,014,019,225</u>	<u>356,750,692</u>	<u>5,836,134,810</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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32 CORPORATE INCOME TAX

(a) CIT expenses

	This period VND	Previous period VND	Current year VND	Previous year VND
Current CIT expense	(21,191,935,795)	1,098,150,290	12,364,693,865	1,334,503,689
Adjustment for CIT from prior year	(520,028,104)	-	392,965,801	392,965,801
Deferred CIT (income) expense	616,282,138	(753,187,327)	641,020,138	(643,281,106)
TOTAL	(21,095,681,761)	344,962,963	13,398,679,804	1,084,188,384

(b) Current CIT

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

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

	This period VND	Previous period VND	Current year VND	Previous year VND
Net profit before tax	(7,813,398,711)	9,383,138,247	(7,813,398,711)	18,625,493,717
<i>Adjustments:</i>				
Non-deductible expenses	1,562,715,175	1,733,024,405	2,590,619,301	2,934,525,888
Temporary differences	(287,820,000)	3,765,936,635	(411,510,000)	3,413,405,530
Non-taxable income	-	(6,048,000,000)	(1,008,000,000)	(8,568,000,000)
Shares of profit of an associate	-	-	-	(10,291,050,000)
Estimated taxable profit	(6,538,503,536)	8,834,099,287	(6,642,289,410)	6,114,375,135
<i>In which:</i>				
Estimated current taxable profit	(149,185,818,696)	10,004,319,300	(6,642,289,410)	6,114,375,135
Incentive taxable income	-	-	-	-
Estimated tax loss	-	-	-	-
Estimated CIT payable	(21,723,220,259)	1,334,503,689	11,833,409,401	1,334,503,689
Estimated CIT payable at end of period after exemption	(21,723,220,259)	1,334,503,689	11,833,409,401	1,334,503,689
Adjustment of CIT from prior period	11,256,360	(236,353,399)	924,250,265	392,965,801
Current corporate income tax expense	(21,711,963,899)	1,098,150,290	12,757,659,666	1,727,469,490
Deferred tax income expense	616,282,138	(753,187,327)	641,020,138	(643,281,106)
Total corporate income tax expense	(21,095,681,761)	344,962,963	13,398,679,804	1,084,188,384

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

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33 TRANSACTIONS WITH RELATED PARTIES

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

Related party	Relationship	Transaction	31.12.2022 VND	31.12.2021 VND
Purchase Good, services and other transactions				
Arico	Subsidiary	Dividend received	91,972,603	513,883,693
		Interest expenses	180,076,713	-
		Purchases of goods	1,008,000,000	8,568,000,000
		Capital contribution	-	2,040,000
		Dividend received	-	16,800,000,000
Searefico E&C	Subsidiary	Purchases of construction services	-	72,855,376,288
		Interest income	412,829,562	2,373,597,017
		Interest expenses	2,515,936,873	-
		Transfer stock of Searee	-	36,850,000,000
		Capital contribution	-	79,670,000,000
HCC	Associate (Divesment on 21 March 2022)	Dividend received	-	10,291,050,000
		Purchase of construction services	-	3,786,555,830
Inwatek	Related party	Capital Recovery	1,000,000,000	-
Phoenix	Subsidiary	Other income	-	903,566,015
Searee	Subsidiary	Purchase of construction services	9,520,083,310	8,672,175,939
		Capital withdrawals	-	36,850,000,000
		Interest expenses	63,881,893	412,636,548
Greenpan	Subsidiary	Interest expenses	144,820,602	-
		Purchases of goods	-	26,618,577
Seareal	Subsidiary	Interest income	102,272,727	-
Total			14,039,874,283	278,575,499,907
Revenues from sale of goods and rendering of services				
Arico	Subsidiary	Other service	2,672,616,808	4,962,814,164
Searee	Subsidiary	Purchase of construction services	-	740,250,443
		Other service	976,194,183	2,087,291,909
Searefico E&C	Subsidiary	Other service	4,781,444,411	1,692,809,122
Total			8,430,255,402	9,483,165,638

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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33 TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	31.12.2022 VND	31.12.2021 VND
Short-term trade receivables				
Arico	Subsidiary	Other service	3,919,480,762	2,020,205,012
Searee	Subsidiary	Other service	-	2,893,370,153
Greenpan	Subsidiary	Other service	-	248,658,795
Phoenix	Subsidiary	Selling	10,041,509,390	9,443,700,011
Searefico E&C	Subsidiary	Other service	82,390,000	1,021,794,967
		Total	<u>14,043,380,152</u>	<u>15,627,728,938</u>
Short-term prepayments to suppliers				
Arico	Subsidiary	Purchase of construction services	-	-
Searee	Subsidiary	Purchase of construction services	701,630,100	-
Greenpan	Subsidiary	Purchases of goods	-	2,679,957,113
Formtek	Related party	Purchase of construction services	200,999,662	200,999,662
HCC		Purchase of construction services	-	-
		Total	<u>902,629,762</u>	<u>2,880,956,775</u>
Short-term lendings				
Searefico E&C	Subsidiary	Lending	9,100,000,000	1,000,000,000
Searee	Subsidiary	Lending	-	150,000,000
Arico	Subsidiary	Lending	22,000,000,000	
Greenpan	Subsidiary	Lending	10,000,000,000	
		Total	<u>41,100,000,000</u>	<u>1,150,000,000</u>
Long-term prepayments to suppliers				
Greenpan	Subsidiary	Purchases of goods	-	3,000,000,000
			<u>-</u>	<u>3,000,000,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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33 TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	31.12.2022 VND	31.12.2021 VND
Other short-term receivables				
Arico	Subsidiary	Dividend received	1,100,157,513	6,048,000,000
		Other services	-	53,003,077
Inwatek	Related party	Interest income	658,643,288	658,643,288
Searee	Subsidiary	Dividend received	406,383,446	1,694,166,667
		Other services	-	225,855,475
Greenpan	Subsidiary	Other services	25,920,000	195,777,411
Phoenix	Subsidiary	Other services	246,172,885	239,059,085
Seareal	Subsidiary	Other services	18,413,527	20,039,763,000
Searefico E&C	Subsidiary	Other services	9,498,702,352	5,660,844,206
		Total	11,954,393,011	34,815,112,209
Short-term trade payables				
HCC		Purchased of construction contracts	-	5,019,707,215
Searee	Subsidiary	Purchased of construction contracts	55,358,652,129	62,640,468,020
Searefico E&C	Subsidiary	Purchased of construction contracts	80,936,492,255	38,823,787,273
		Total	136,295,144,384	106,483,962,508
Short-term advances from customer				
Searefico E&C	Subsidiary	Purchased of construction contracts	-	9,269,000,000
			-	9,269,000,000
Other short-term payables				
Arico	Subsidiary	Interest expenses	-	419,212,587
		Total		419,212,587
Short-term loans				
Arico	Subsidiary	Short-term loans		500,000,000
Greenpan	Subsidiary	Short-term loans	562,842,226	4,560,000,000
Searee	Subsidiary	Short-term loans	9,620,500,000	-
Searefico E&C	Subsidiary	Short-term loans	23,028,380,433	-
		Total	33,211,722,659	5,060,000,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2022

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33 TRANSACTIONS WITH RELATED PARTIES (continued)

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

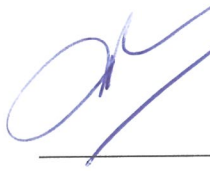
	<u>This period</u>	<u>Previous period</u>	<u>Current year</u>	<u>Previous year</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Allowance for the Boards of Directors	480,000,000	390,000,000	1,920,000,000	1,733,954,319
Salaries and benefits of the Board of Directors, management and key executives	1,099,866,400	331,909,743	5,197,264,272	2,003,505,970
TOTAL	1,579,866,400	721,909,743	7,117,264,272	3,737,460,289

34 SEGMENT REPORT

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



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant



Vu Xuan Thuc
Chief Executive Officer
30 January 2023