

SEAREFICO CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



SEAREFICO CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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SEAREFICO CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate joint stock company

No. 0301825452 dated 18 September 1999 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 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 Feb 2022)
Mr. Lee Men Leng	Member (until 24 Feb 2022)

Audit Committee

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

Science and Technology Committee

Mr. Le Tan Phuoc	Chairman
Mr. Nishi Masayuki	Member

Compensation and Organisation Development Committee

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

Board of Internal Audit under Board of Directors

Ms. Huynh Nhu Phuong	Chief Supervisor (from 1 July 2022)
Mr. Nguyen Chau Tran	Acting Chief Supervisor (until 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 12 September 2022)
Legal representatives	Mr. Le Tan Phuoc	Chairman of Board of Directors
	Mr. Vu Xuan Thuc	Chief Executive Officer (from 1 September 2022)
	Mrs. Nguyen Thi Thanh Huong	Chief Executive Officer (to 4 July 2022)
Registered office	14 th Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street, Vo Thi Sau Ward , District 3, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

SEAREFICO CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these 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 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 consolidated financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the consolidated financial statements

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 60 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the consolidated financial statements.

On behalf of the Board of Management



Vũ Xuân Thục
Chief Executive Officer
Legal representative

Ho Chi Minh City, SR Vietnam
15 March 2023



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF
SEAREFICO CORPORATION**

We have audited the accompanying consolidated financial statements of Searefico Corporation ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2022 and approved by the Board of Management on 15 March 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 6 to 60.

Responsibility of the Board of Management

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No:
0875-2023-006-1
Authorised signatory

Report reference number: HCM13019
Ho Chi Minh City, 15 March 2023



Tran Thi Cam Tu
Audit Practising Licence No:
2713-2023-006-1

SEAREFICO CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		1,381,724,918,285	1,332,532,232,066
110	Cash and cash equivalents	3	238,793,514,210	60,499,313,356
111	Cash		77,806,479,608	59,714,313,356
112	Cash equivalents		160,987,034,602	785,000,000
120	Short-term investments		117,992,162,805	110,359,200,000
123	Investments held to maturity	4(a)	117,992,162,805	110,359,200,000
130	Short-term receivables		726,681,910,174	782,001,895,799
131	Short-term trade accounts receivable	5	740,636,685,376	726,004,583,852
132	Short-term prepayments to suppliers	6	52,177,273,593	49,671,980,022
136	Other short-term receivables	7(a)	42,563,598,323	37,664,977,608
137	Provision for doubtful debts – short-term	8	(108,695,647,118)	(31,339,645,683)
140	Inventories	9	274,965,147,940	333,318,564,993
141	Inventories		278,025,157,540	334,185,494,833
149	Provision for decline in value of inventories		(3,060,009,600)	(866,929,840)
150	Other current assets		23,292,183,156	46,353,257,918
151	Short-term prepaid expenses	10(a)	4,031,449,826	2,582,141,019
152	Value added tax ("VAT") to be reclaimed	15(a)	18,038,625,008	42,787,280,422
153	Tax and other receivables from the State	15(a)	1,222,108,322	983,836,477

The notes on pages 11 to 60 are an integral part of these consolidated financial statements.

SEAREFICO CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		348,839,766,969	520,729,143,686
210	Long-term receivables		2,613,729,919	1,836,601,000
216	Other long-term receivables	7(b)	2,613,729,919	1,836,601,000
220	Fixed assets		259,791,970,916	272,811,914,314
221	Tangible fixed assets	11(a)	256,140,807,646	269,843,368,020
222	Historical cost		387,597,218,457	385,602,156,131
223	Accumulated depreciation		(131,456,410,811)	(115,758,788,111)
224	Finance lease fixed assets		1,030,750,000	-
225	Historical cost		1,030,750,000	-
226	Accumulated depreciation		-	-
227	Intangible fixed assets	11(b)	2,620,413,270	2,968,546,294
228	Historical cost		6,022,927,119	5,941,197,119
229	Accumulated amortisation		(3,402,513,849)	(2,972,650,825)
240	Long-term assets in progress		33,630,897,821	33,417,126,812
242	Construction in progress	12	33,630,897,821	33,417,126,812
250	Long-term investments		5,556,717,362	165,955,372,698
252	Investments in associate	4(b)	2,100,000,000	161,498,655,336
253	Investments in other entities	4(c)	3,456,717,362	4,456,717,362
260	Other long-term assets		47,246,450,951	46,708,128,862
261	Long-term prepaid expenses	10(b)	32,693,859,713	31,983,351,721
262	Deferred income tax assets	22	14,552,591,238	14,724,777,141
270	TOTAL ASSETS		1,730,564,685,254	1,853,261,375,752

The notes on pages 11 to 60 are an integral part of these consolidated financial statements.

SEAREFICO CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		1,301,575,884,207	1,279,580,524,672
310	Short-term liabilities		1,221,362,611,541	1,182,852,743,920
311	Short-term trade accounts payable	13	381,177,211,923	306,522,366,234
312	Short-term advances from customers	14	207,837,260,842	109,448,135,163
313	Tax and other payables to the State	15(b)	14,179,234,589	8,622,944,187
314	Payables to employees	16	8,743,231,640	14,636,229,315
315	Short-term accrued expenses	17	143,284,462,930	90,617,043,576
318	Short-term unearned revenue		247,500,000	-
319	Other short-term payables	18(a)	23,317,044,624	31,005,707,596
320	Short-term borrowings and finance lease liabilities	19(a)	434,826,585,553	607,247,979,184
321	Provision for short-term liabilities	20(a)	612,019,662	1,376,538,681
322	Bonus and welfare funds	21	7,138,059,778	13,375,799,984
330	Long-term liabilities		80,213,272,666	96,727,780,752
331	Long-term trade accounts payables		635,200,000	-
337	Other long-term payables	18(b)	1,160,000,000	3,625,454,585
338	Long-term borrowings and finance lease liabilities	19(b)	76,305,660,916	90,578,404,417
342	Provision for long-term liabilities	20(b)	2,112,411,750	2,523,921,750
400	OWNERS' EQUITY		428,988,801,047	573,680,851,080
410	Capital and reserves		428,988,801,047	573,680,851,080
411	Owners' capital	23, 24	355,667,800,000	355,667,800,000
411a	- Ordinary shares with voting rights		355,667,800,000	355,667,800,000
412	Share premium	24	284,019,059	284,019,059
414	Owners' other capital	24	4,415,811,246	4,415,811,246
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	8,308,963,938	8,308,963,938
421	Undistributed earnings	24	412,708,023	144,650,123,767
421a	- Undistributed post-tax profits of previous years		141,706,737,915	115,185,462,889
421b	- (Post-tax loss)/post-tax profit of current year		(141,294,029,892)	29,464,660,878
429	Non-controlling interests	25	89,137,905,880	89,592,540,169
440	TOTAL RESOURCES		1,730,564,685,254	1,853,261,375,752


 Nguyen Thanh Tam
 Preparer


 Dinh Ngoc Trien
 Chief Accountant



 Vu Xuan Thuc
 Chief Executive Officer

15 March 2023

The notes on pages 11 to 60 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	1,185,608,421,970	930,440,139,439
10	Net revenue from sales of goods and rendering of services	29 1,185,608,421,970	930,440,139,439
11	Cost of goods sold and services rendered	30 (1,204,372,883,631)	(843,891,078,275)
20	Gross (loss)/profit from sales of goods and rendering of services	(18,764,461,661)	86,549,061,164
21	Financial income	31 104,618,916,125	12,668,515,570
22	Financial expenses	32 (48,794,021,825)	(36,730,691,545)
23	- Including: Interest expense	32 (38,869,072,408)	(36,489,486,150)
24	Profit sharing from associates	-	17,358,037,857
25	Selling expenses	(4,140,041,538)	(3,574,053,547)
26	General and administration expenses	33 (160,426,807,631)	(43,736,291,813)
30	Net operating (loss)/profit	(127,506,416,530)	32,534,577,686
31	Other income	34 3,679,981,308	6,577,174,740
32	Other expenses	34 (3,066,750,369)	(1,201,250,624)
40	Net other income	613,230,939	5,375,924,116
50	Net accounting (loss)/profit before tax	(126,893,185,591)	37,910,501,802
51	Corporate income tax ("CIT") - current	35 (14,264,767,864)	(5,672,588,879)
52	CIT - deferred	35 (172,185,903)	2,121,875,634
60	Net (loss)/profit after tax	(141,330,139,358)	34,359,788,557
	Attributable to:		
61	Owners of the Company	(141,294,029,892)	29,464,660,878
62	Non-controlling interests	(36,109,466)	4,895,127,679
70	Basic (losses)/earnings per share	27(a) (4,269)	738
71	Diluted (losses)/earnings per share	27(b) (4,269)	738


 Nguyen Thanh Tam
 Preparer


 Dinh Ngoc Trien
 Chief Accountant




 Vu Xuan Thuc
 Chief Executive Officer
 15 March 2023

The notes on pages 11 to 60 are an integral part of these consolidated financial statements.

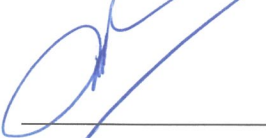
SEAREFICO CORPORATION

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01			
	Net accounting (loss)/profit before tax	(126,893,185,591)	37,910,501,802
	Adjustments for:		
02	Depreciation and amortisation	16,875,130,755	16,866,016,999
03	Provision/(reversal of provisions)	79,846,466,459	(8,874,750,919)
04	Unrealised foreign exchange losses/(gains)	1,673,920,556	(3,087,573,219)
05	Profits from investing activities	(102,786,291,514)	(26,174,486,989)
06	Interest expense	38,869,072,408	36,489,486,150
08	Operating (loss)/profit before changes in working capital	(92,414,886,927)	53,129,193,824
09	Decrease in receivables	4,226,602,282	97,137,497,748
10	Decrease/(increase) in inventories	56,199,080,306	(50,304,640,872)
11	Increase/(decrease) in payables	207,646,264,488	(38,163,430,152)
12	(Increase)/decrease in prepaid expenses	(1,087,220,708)	2,004,146,641
14	Interest paid	(39,242,862,844)	(36,234,562,456)
15	CIT paid	(8,310,132,863)	(9,132,132,328)
17	Other payments on operating activities	(9,819,160,881)	(9,102,698,473)
20	Net cash inflows from operating activities	117,197,682,853	9,333,373,932
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(6,984,243,598)	(16,910,289,291)
22	Proceeds from disposals of fixed assets	191,850,000	1,184,541,334
23	Loans granted, purchases of debt instruments of other entities	(267,226,841,189)	(10,359,200,000)
24	Collection of term deposits at banks, proceeds from sales of debt instruments of other entities	259,593,878,384	78,250,000,000
26	Proceeds from divestment of investments in associate and other entities	247,985,199,980	-
27	Dividends and interest received	15,118,221,503	19,388,249,325
30	Net cash inflows from investing activities	248,678,065,080	71,553,301,368
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	-	10,769,040,000
33	Proceeds from borrowings	851,627,429,735	1,503,870,183,391
34	Repayments of borrowings	(1,039,129,674,867)	(1,597,617,705,330)
35	Finance lease principal repayments	(82,460,000)	-
36	Dividends paid	-	(526,611,250)
40	Net cash outflows from financing activities	(187,584,705,132)	(83,505,093,189)
50	Net increase/(decrease) in cash and cash equivalents	178,291,042,801	(2,618,417,889)
60	Cash and cash equivalents at beginning of year	60,499,313,356	63,100,216,101
61	Effect of foreign exchange differences	3,158,053	17,515,144
70	Cash and cash equivalents at end of year	238,793,514,210	60,499,313,356


 Nguyen Thanh Tam
 Preparer


 Dinh Ngoc Trien
 Chief Accountant



The notes on pages 11 to 60 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 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 which was initially issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City, dated 18 September 1999 and the latest amendment dated 28 September 2022 for purpose of updating on the Legal representative – Mr. Vu Xuan Thuc - the Chief Executive Officer of the Company under Decision No. 012/NQ/SRF/HĐQT/22 dated 1 September 2022 and the updating on Mr. Le Tan Phuoc’s citizen identification card - the Legal representative who is also the Chairman of the Company.

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 for production and service activities, and from 12 (twelve) months to 24 (twenty-four) months for construction activities.

The Company has one branch, Danang Refrigeration Electrical Engineering Branch – Searefico Refrigeration Industry Corporation (“the Branch”). The Branch is incorporated pursuant to the branch operation registration certificate No. 0301825452-001 initially issued by the DPI of Da Nang City on 17 January 2000, and these amendments. The Branch’s registered office is located at Street 10, Hoa Khanh Industry Zone, Hoa Khanh Bac Ward, Lien Chieu District, Da Nang City, Vietnam.

As at 31 December 2022, the Group had 387 employees (31 December 2021: 571 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	
			Ownership	Voting	Ownership	Voting
			(%)	rights (%)	(%)	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	District 3, 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
Associates						
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 with amount of VND246,985,200,000.

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

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

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.

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

2.2 Fiscal year

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

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

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

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

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

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

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

Inter-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.

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

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

Non-controlling transactions and interests

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****(a) Subsidiaries (continued)****Non-controlling transactions and interests (continued)**

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

(b) Associates

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

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

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

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

2.6 Cash and cash equivalents

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Receivables**

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

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

2.8 Inventories

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

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

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

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

The Group applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments****(a) Investments held to maturity**

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

Investments held to maturity include bank term deposits. 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

(b) Investments in associates

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

(c) Investments in other entities

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Construction contracts**

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

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

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

2.11 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 bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of assets recorded in the consolidated financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

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

Fixed assets of PIR project and the solar rooftop project are depreciated using product quantity output method, based on the economic and technical of fixed assets, the Group determines the total products quantity produced as the designed capacity of those fixed assets, thereby calculate the average depreciation amount of a produced unit.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Fixed assets (continued)***Disposals*

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

Construction in progress

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

2.12 Operating leases

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

2.13 Investment properties held for lease

The historical cost of an investment property held for lease represents the amount of cash or cash equivalents paid or the fair value of another consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

Investment properties held for lease are depreciated on straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. Depreciable amount equals to the historical cost of assets recorded in the consolidated financial statements minus (-) the estimated disposal value of such assets. The estimated useful life of a building is 15 years.

Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses**

Prepaid expenses include short-term or long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives or the period which economic benefits are generated in relation to these expenses.

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2.16 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance lease liabilities from banks, financial institutions and related party.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the year 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 fiscal year. Accrued expenses are recorded as expenses in the fiscal year.

2.18 Provisions

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

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

2.19 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.

2.20 Owners' capital

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Owners' capital (continued)**

Treasury shares brought before the effective date of the Securities Law (i.e. 1 January 2021) are shares issued by the Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on securities.

Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

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

2.21 Appropriation of profit

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

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

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

(a) Investment and development fund

The investment and development fund is appropriated from net profit after CIT of the Group and approved by shareholders in the General Meeting of shareholders. Investment and development fund is appropriated for use in the Group's expansion or upgrading of its operation or in-depth investments.

(b) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's netprofit after CIT and subject to shareholders' approval at the General Meeting of shareholders. Bonus and welfare fund is presented as a liability on the consolidated balance sheet. This fund is appropriated for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition****(a) Revenue from sales of goods**

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

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

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

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

(b) Revenue from construction contracts

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition (continued)****(c) Revenue from rendering of services**

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(d) Interest income

Interest income is recognised on an earned basis.

(e) Dividend income

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

2.23 Cost of goods sold and services rendered

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

2.24 Cost of construction contracts

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

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

2.25 Financial expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes.

2.27 Current and deferred CIT

CIT include all CIT which is based on taxable profits. CIT expense comprises current CIT expense and deferred CIT expense.

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

Deferred CIT 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 CIT 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 CIT 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.

2.28 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 the Board of Directors, the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 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. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment information is prepared and presented in accordance with the Accounting policies applicable to the preparation and presentation of the Group's consolidated financial statements for the purpose of enabling users of the consolidated financial statements to understand clearly and evaluate the Group's performance in a comprehensive way.

2.30 Critical accounting estimates

The preparation of consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consol financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consol financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Gross profit (Note 2.24);
- Estimated useful life of fixed assets and investment properties held for lease (Note 11 and 12);
- Provision for doubtful debts (Note 8);
- Provision for decline in value of inventories (Note 9);
- Accrued expenses and provision for liabilities (Note 17 and 20); and
- Deferred income tax (Note 23).

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

3 CASH AND CASH EQUIVALENTS

	2022 VND	2021 VND
Cash on hand	720,444,688	361,986,356
Cash at bank (**)	77,086,034,920	59,352,327,000
Cash equivalents (*)	160,987,034,602	785,000,000
Total	<u>238,793,514,210</u>	<u>60,499,313,356</u>

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

Total demand deposit as at 31 December 2022 of Arico amounting to VND47,000,000,000 and the deposit amount of VND3,565,396,764 were used as collateral for the loan at Vietnam Joint Stock Commercial Bank for Industry and Trade (Note 19).

(**) Total demand deposit of Greenpan as at 31 December 2022 amounting to VND355,000,000 was used as collateral for the loan at Military Commercial Joint Stock Bank (Note 19), and an amount of VND52,500,000,000 belonging to Searefico E&C was used as collateral for a loan at Vietnam Technological and Commercial Joint Stock Bank (Note 19).

4 INVESTMENTS**(a) Investments held to maturity**

	2022		2021	
	Cost VND	Book value VND	Cost VND	Book value VND
Bank deposits with original maturities of more than 3 months and less than 12 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>

Included in the balance as at 31 December 2022 and 31 December 2021 are VND110 billion at Joint Stock Commercial Bank for Investment and Development of Vietnam was pledged as security for the overdraft agreement granted from this bank (Note 19).

4 INVESTMENTS (continued)

(b) Investments in associates

	2022		2021	
	Cost VND	% of ownership	Cost VND	% of ownership
Thua Thien Hue Construction Joint Stock Corporation ("HCC") (*)	-	0.00	159,398,655,336	36.00
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu") (**)	1,200,000,000	11.34	1,200,000,000	11.34
SEA MH Solar Limited Company ("MH Solar") (**)	900,000,000	11.34	900,000,000	11.34
	<u>2,100,000,000</u>		<u>161,498,655,336</u>	

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

(**) As at 31 December 2022 and 31 December 2021, the voting rights of the Group of holding companies at Quang Phu Investment and Solution Joint Stock Company and SEA MH Solar Co., Ltd. is 30% through Phoenix's ownership in these associated companies.

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

4 INVESTMENTS (continued)**(c) Investments in other entities**

	2022		2021	
	Cost VND	% of ownership	Cost VND	% of ownership
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00	1,900,000,000	19.00
International Investment and Water Technology Joint Stock Company ("Inwatek")	1,556,717,362	1.73	2,556,717,362	2.84
	<u>3,456,717,362</u>		<u>4,456,717,362</u>	

As at 31 December 2022 and 31 December 2021, the Group has not determined the fair value of these investments as these entity have not been listed on the stock market.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022 VND	2021 VND
Central Construction Joint Stock Company	221,677,266,018	-
Industrial Construction Joint Stock Company	84,360,709,259	84,360,709,259
Syrena Phu Quoc Land Joint Stock Company	34,590,755,524	-
Saigon Binh Chau Corporation	21,893,743,960	61,437,508,486
Hai Dang Real Estate Investment Joint Stock Company	4,179,948,608	18,853,173,147
Others	373,934,262,007	561,353,192,960
Total	<u>740,636,685,376</u>	<u>726,004,583,852</u>

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

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Viet Ceramics International Joint Stock Company	7,993,942,220	-
Others	44,183,331,373	49,671,980,022
Total	<u>52,177,273,593</u>	<u>49,671,980,022</u>

As at 31 December 2021, the Group did not have any short-term prepayments to third parties balance that exceed 10% the total amount.

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

	2022 VND	2021 VND
Third parties	38,296,075,407	33,229,826,650
<i>Other receivables from employees</i>	20,351,190,898	19,156,645,335
<i>Deposits</i>	8,549,065,705	2,515,176,829
<i>Interest income receivable from banks</i>	2,910,988,039	2,691,587,949
<i>Interest expense incentive receivable from the State</i>	2,246,872,974	6,553,989,388
<i>Others</i>	4,237,957,791	2,312,427,149
Related parties (Note 38(b))	4,267,522,916	4,435,150,958
Total	<u>42,563,598,323</u>	<u>37,664,977,608</u>

(b) Long-term

The balances represent the long-term deposits.

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

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8 DOUBTFUL DEBTS

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	135,484,940,753	(108,695,647,118)	139,743,502,129	(31,339,645,683)
<i>Industrial Construction Joint Stock</i>				
<i>Company</i>	84,360,709,259	(84,360,709,259)	84,360,709,259	(400,592,562)
<i>Others</i>	51,124,231,494	(24,334,937,859)	55,382,792,870	(30,939,053,121)

Movements in provision for short-term doubtful debts during the year are as follows:

	2022 VND	2021 VND
Beginning of year	31,339,645,683	56,018,338,316
Increase (Note 33)	77,356,001,435	2,407,933,133
Reversal (Note 33)	-	(10,510,901,068)
Write-off	-	(16,575,724,698)
End of year	108,695,647,118	31,339,645,683

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9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	4,769,449,032	-	7,575,330,718	-
Raw materials	62,547,535,806	(3,056,781,620)	72,615,376,534	(858,592,878)
Tools and supplies	9,046,324,923	-	1,890,627,188	-
Work in progress (*)	187,129,888,277	-	241,319,785,509	-
Finished goods	13,311,704,459	(3,227,980)	9,747,047,097	(8,336,962)
Merchandises	182,927,256	-	-	-
Goods on consignment	1,037,327,787	-	1,037,327,787	-
	<u>278,025,157,540</u>	<u>(3,060,009,600)</u>	<u>334,185,494,833</u>	<u>(866,929,840)</u>

Movements in the provision for decline in value of inventories during the year were as follows:

	2022 VND	2021 VND
Beginning of year		
Increase (Note 30)	866,929,840	1,003,684,008
Reversal (Note 30)	2,193,079,760	-
	-	(136,754,168)
End of year	<u>3,060,009,600</u>	<u>866,929,840</u>

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9 INVENTORIES (continued)

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

	31.12.2022 VND	31.12.2021 VND
Le Meridien Cam Ranh Bay Resort and Spa Project	36,575,585,283	35,929,911,720
Melia Cam Ranh Bay Villas and Resort Project	13,490,382,498	13,288,229,998
Heritage West Lake Project	9,716,971,646	49,221,830
Hai Dang City Project - Stage 2 (The Zei)	9,048,914,712	5,741,799,804
Gateway Thao Dien Premium Residence Area Project	8,686,804,267	30,291,126,231
Hon Thom - Water Park Project	8,609,627,054	17,102,851,686
Cable car Castle 2	8,409,555,112	4,941,820,668
Regent Phu Quoc Project	8,401,220,597	7,166,287,460
LC Foods Project	7,282,629,114	-
Radison Blu Project	6,441,731,409	15,846,962,827
Khanh Phong Plastic	5,872,586,518	4,852,924,153
Novaworld Ho Tram	3,361,508,804	9,351,521,161
Hon Thom - Interregional infrastructure project	1,412,532,895	6,069,664,532
Masteri Central Point Project	-	11,307,701,531
Cadivi Tower Project	-	9,933,358,917
Others	59,819,838,368	69,446,402,991
Total	187,129,888,277	241,319,785,509

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10 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Tools and supplies	518,357,730	774,670,372
Others	3,513,092,096	1,807,470,647
Total	<u>4,031,449,826</u>	<u>2,582,141,019</u>

(b) Long-term

	2022 VND	2021 VND
Rental fee	26,426,612,031	27,615,179,422
Tools and supplies	4,286,207,780	2,129,479,911
Others	1,981,039,902	2,238,692,388
Total	<u>32,693,859,713</u>	<u>31,983,351,721</u>

Movements in prepaid expenses during the year are as follows:

	2022 VND	2021 VND
Beginning of year	34,565,492,740	36,569,639,381
Increase	15,485,965,966	14,496,648,972
Transfer from construction in progress (Note 12)	1,072,596,091	-
Allocation	<u>(14,398,745,258)</u>	<u>(16,500,795,613)</u>
End of year	<u>36,725,309,539</u>	<u>34,565,492,740</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2022	101,019,395,973	253,588,948,177	24,206,777,620	5,255,806,956	1,531,227,405	385,602,156,131
New purchases	-	1,216,556,807	1,045,167,273	247,008,000	37,000,000	2,545,732,080
Transfers from construction in progress (Note 12)	-	79,700,000	-	447,000,000	-	526,700,000
Disposals	(701,279,488)	-	-	(70,048,515)	(306,041,751)	(1,077,369,754)
As at 31 December 2022	100,318,116,485	254,885,204,984	25,251,944,893	5,879,766,441	1,262,185,654	387,597,218,457
Accumulated depreciation						
As at 1 January 2022	38,664,812,048	64,050,652,252	7,199,148,218	4,503,443,859	1,340,731,734	115,758,788,111
Charge for the year	2,802,665,860	11,833,908,755	1,423,861,990	358,533,794	26,297,332	16,445,267,731
Disposals	(371,554,765)	-	-	(70,048,515)	(306,041,751)	(747,645,031)
As at 31 December 2022	41,095,923,143	75,884,561,007	8,623,010,208	4,791,929,138	1,060,987,315	131,456,410,811
Net book value						
As at 1 January 2022	62,354,583,925	189,538,295,925	17,007,629,402	752,363,097	190,495,671	269,843,368,020
As at 31 December 2022	59,222,193,342	179,000,643,977	16,628,934,685	1,087,837,303	201,198,339	256,140,807,646

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND18,675,544,888 (as at 31 December 2021: VND18,675,544,888).

11 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

As at 31 December 2022, the following tangible fixed assets were pledged with banks as collateral (Note 19) as follows:

- Tangible fixed assets of Greenpan with a carrying value of VND122,820,147,329 (as at 31 December 2021: VND122,820,147,329);
- Tangible fixed assets of Phoenix with a carrying value of VND13,191,485,612 (as at 31 December 2021: VND14,961,966,008); and
- Tangible fixed assets of Searee with a carrying value of VND877,883,462 (as at 31 December 2021: Nil).

(b) Intangible fixed assets

	Computer software VND	Others VND	Total VND
Historical cost			
As at 1 January 2022	2,916,691,951	3,024,505,168	5,941,197,119
Transfers from construction in progress (Note 12)	81,730,000	-	81,730,000
As at 31 December 2022	<u>2,998,421,951</u>	<u>3,024,505,168</u>	<u>6,022,927,119</u>
Accumulated amortisation			
As at 1 January 2022	2,672,709,314	299,941,511	2,972,650,825
Charge for the year	58,995,656	370,867,368	429,863,024
As at 31 December 2022	<u>2,731,704,970</u>	<u>670,808,879</u>	<u>3,402,513,849</u>
Net book value			
As at 1 January 2022	<u>243,982,637</u>	<u>2,724,563,657</u>	<u>2,968,546,294</u>
As at 31 December 2022	<u><u>266,716,981</u></u>	<u><u>2,353,696,289</u></u>	<u><u>2,620,413,270</u></u>

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

12 CONSTRUCTION IN PROGRESS

	2022 VND	2021 VND
Major projects		
Phu Quoc Apartments	13,704,464,512	13,704,464,512
Da Nang Apartments	13,065,337,500	13,065,337,500
Quality certificate project	4,360,160,160	2,380,956,278
Factory construction	1,482,881,362	206,242,799
Machinery	658,554,287	309,770,633
ERP system	-	2,970,701,405
Others	359,500,000	779,653,685
Total	<u>33,630,897,821</u>	<u>33,417,126,812</u>

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

	2022 VND	2021 VND
Beginning of year	33,417,126,812	35,697,071,058
Purchase	4,438,511,518	16,150,770,869
Transfers to fixed assets (Note 11(a))	(526,700,000)	(14,166,347,534)
Transfers to intangible fixed assets (Note 11(b))	(81,730,000)	(1,755,264,556)
Transfers to prepaid (Note 10)	(1,072,596,091)	-
Transfers to inventory	(38,743,013)	(1,234,955,425)
Write-offs	(2,504,971,405)	-
Others	-	(1,274,147,600)
End of year	<u>33,630,897,821</u>	<u>33,417,126,812</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	381,177,211,923	381,177,211,923	296,714,656,159	296,714,656,159
<i>Dang Viet Construction Joint Stock Company</i>	22,913,157,980	22,913,157,980	-	-
<i>Company Building and Construction Electrical The Minh</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>	347,018,480,750	347,018,480,750	261,311,067,006	261,311,067,006
Related parties (Note 38(b))	-	-	9,807,710,075	9,807,710,075
Total	381,177,211,923	381,177,211,923	306,522,366,234	306,522,366,234

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

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Hoa Binh Construction Joint Stock Company	49,141,289,665	-
Long An Investment Single-member Co., Ltd	42,000,000,000	-
Kien A Khanh Hoa Investment Joint Stock Company	18,967,583,007	17,319,262,094
LC Foods Company Limited	9,716,165,504	21,721,857,804
ARC Binh Duong Joint Stock Company	-	19,225,734,628
Others	88,012,222,666	51,181,280,637
Total	207,837,260,842	109,448,135,163

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

Movements in tax and other receivables from/payables to the State during the year are as follows:

	As at 1.1.2022 VND	Receivable/payable during the year VND	Payment during the year VND	Net-off during the year VND	Reclassification during the year VND	As at 31.12.2022 VND
(a) Tax receivables						
Input VAT	42,787,280,422	95,072,110,068	69,466,774	(120,082,476,271)	192,244,015	18,038,625,008
CIT	-	-	-	-	780,429,578	780,429,578
Personal income tax	983,836,477	-	-	(736,584,686)	92,595,805	339,847,596
Import tax	-	-	-	-	98,831,148	98,831,148
Business license tax	-	-	-	-	3,000,000	3,000,000
Total	43,771,116,899	95,072,110,068	69,466,774	(120,819,060,957)	1,167,100,546	19,260,733,330
(b) Tax payables						
CIT	5,956,883,739	14,264,767,864	(8,310,132,863)	-	780,429,578	12,691,948,318
VAT on domestic sales	2,263,489,204	124,421,213,560	(4,513,089,574)	(121,132,848,009)	192,244,015	1,231,009,196
Personal income tax	402,071,244	10,973,522,224	(10,475,327,512)	(736,584,686)	92,595,805	256,277,075
VAT on importation	-	17,104,513,973	(18,154,885,711)	1,050,371,738	-	-
Import, export tax	-	2,570,683,726	(2,669,514,874)	-	98,831,148	-
Foreign contractor tax	-	151,925,365	(151,925,365)	-	-	-
Business license tax	500,000	16,000,000	(19,500,000)	-	3,000,000	-
Total	8,622,944,187	169,502,626,712	(44,294,375,899)	(120,819,060,957)	1,167,100,546	14,179,234,589

16 PAYABLES TO EMPLOYEES

Payables to employees represent the amount payable to employees in relation to the remuneration as at 31 December 2022 and at 31 December 2021.

17 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Accrued project costs	138,375,540,882	86,173,263,527
Interest expense	612,559,081	986,349,517
Others	4,296,362,967	3,457,430,532
Total	<u>143,284,462,930</u>	<u>90,617,043,576</u>

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

	2022 VND	2021 VND
Third parties	22,773,374,537	30,728,454,456
<i>Other payables to employees</i>	10,992,863,630	15,196,700,420
<i>Social, health and unemployment insurance and trade union fees</i>	3,601,289,386	3,363,669,319
<i>Unemployment allowances</i>	2,229,631,649	-
<i>Dividends payable (Note 26)</i>	596,400,800	596,400,800
<i>Cash receipts from third party</i>	-	3,500,000,000
<i>Others</i>	5,353,189,072	8,071,683,917
Related parties (Note 38(b))	543,670,087	277,253,140
Total	<u>23,317,044,624</u>	<u>31,005,707,596</u>

(b) Long-term

	2022 VND	2021 VND
Long-term deposits	1,160,000,000	-
Unemployment allowances	-	3,625,454,585
Total	<u>1,160,000,000</u>	<u>3,625,454,585</u>

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19 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term

	As at 1.1.2022 VND Carrying value (Able-to-pay amount)	Increase VND	Decrease VND	Current portion VND	As at 31.12.2022 VND Carrying value (Able- to-pay amount)
Bank loans	607,247,979,184	847,897,222,735	(1,035,293,423,117)	11,716,251,751	431,568,030,553
Finance lease (Note (19(c)))	-	-	-	313,348,000	313,348,000
Borrowings from related party (Note 38(b))	-	2,945,207,000	-	-	2,945,207,000
Total	607,247,979,184	850,842,429,735	(1,035,293,423,117)	12,029,599,751	434,826,585,553

(b) Long-term

	As at 1.1.2022 VND Carrying value (Able- to-pay amount)	Increase VND	Decrease VND	Current portion VND	As at 31.12.2022 VND Carrying value (Able- to-pay amount)
Bank loans	86,578,404,417	785,000,000	(3,716,251,750)	(11,716,251,751)	71,930,900,916
Finance lease (Note (19(c)))	-	890,568,000	(82,460,000)	(313,348,000)	494,760,000
Borrowings from related party (Note 38(b))	4,000,000,000	-	(120,000,000)	-	3,880,000,000
Total	90,578,404,417	1,675,568,000	(3,918,711,750)	(12,029,599,751)	76,305,660,916

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19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

Details of borrowings are as follows:

	2022 VND	2021 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	130,685,205,575	185,080,648,192
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV")	110,306,006,595	200,459,229,096
Vietnam Technological and Commercial Joint – Stock Bank ("TCB")	99,615,708,018	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("VCB")	74,628,770,541	180,813,468,588
Vietnam Maritime Commercial Joint Stock Bank ("MSB")	73,816,248,857	65,558,523,700
Military Commercial Joint Stock Bank ("IMBB")	13,764,789,501	61,706,754,025
Tien Phong Commercial Joint Stock Bank - Da Nang Branch ("TPB")	682,202,382	-
Vietnam Bank for Social Policies	-	207,760,000
Total	503,498,931,469	693,826,383,601

Bank	As at 31 December 2022 (VND)	Interest rate	Purpose	Collateral
BIDV	109,931,006,595	Change for each drawdown	To supplement working capital	Held-to-maturity investments (Note 4(a)).
	375,000,000	Change for each drawdown	To supplement working capital	Fixed assets of Phoenix (Note 11(a)).
	Total: 110,306,006,595			
TPB	682,202,382	8.8% per annum, will be adjusted every 3 months from 26 January 2022	To purchase motor vehicles	Motor vehicles (Note 11(a)).

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19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term (continued)

Bank	As at 31 December 2022 (VND)	Interest rate	Purpose	Collateral
Vietinbank	74,647,749,107	Change for each drawdown	To supplement working capital	<ul style="list-style-type: none"> - Term deposit of Arico under deposit contract No. 922/2022/24705, 922/2022/24706, 922/2022/29148, 922/2022/38053, 922/2022/39244 for certain contracts No. 22.88.0126/2022/HĐBĐ/NHCT922 dated 16 August 2022, 22.88.0123/2022/HĐBĐ/NHCT922 dated 8 August 2022, 22.88.0137/2022/HĐBĐ/NHCT922 dated 8 September 2022, 22.88.0400/2022/HĐBĐ/NHCT922 dated 9 November 2022, and 22.88.0401/2022/HĐBĐ/NHCT922 dated 17 November 2022 with a total value of VND47,000,000,000 (Note 3). - Deposit of VND3,565,396,764 (Note 3). - The right to collect debts formed in the future arising from the order No. 01/03/ARICO/2022 between GreenPan and Arico dated 3 January 2022 and other amendments (if any). - Debt collection rights arising from the order No. 06/09/ARICO/PVT/2021 between GreenPan and Arico signed on 21 September 2021 and amendments (if any). - Debt collection rights arising from the order No. 02/11/ARICO/PVT/2021, 03/11/ARICO/PVT/2021, 04/11/ARICO/PVT/2021, 07/07/ARICO/PVT/2021, 09/12/ARICO/PVT/2021, 10/04/ARICO/PVT/2021, 10/12/ARICO/PVT/2021, 15/12/ARICO/PVT/2021, 13/11/ARICO/PVT/2021, 13/12/ARICO/PVT/2021, 14/04/ARICO/PVT/2021, 15/04/ARICO/PVT/2021, 17/04/ARICO/PVT/2021, 08/12/ARICO/PVT/2021, 10/05/ARICO/PVT/2021, 18/04/ARICO/PVT/2021, and 19/04/ARICO/PVT/2021 between GreenPan and Arico dated 3 January 2022 and amendments (if any). - Debt collection rights arising from the order No. 09/09/ARICO/PVT/2021 between GreenPan and Arico signed on 28 September 2021 based on the bid No. 032A/BG/GPN/2105 REV signed on 29 September 2021 and amendments (if any). - Debt collection rights arising from contract No. 54/HĐ/GPN/INRES/2021 between GreenPan and INRES Technical Service Trading Co., Ltd. signed on 19 October 2021 on the provision of Panel PIR ISOFRIGO and additional amendments contract (if any). - All goods, finished products, materials for PIR sheet production with maximum value at any time amounting to VND60,000,000,000.
	41,165,780,646	Change for each drawdown	To supplement working capital	

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19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term (continued)

Bank	As at 31 December 2022 (VND)	Interest rate	Purpose	Collateral
Vietinbank	7,084,431,987	Change for each drawdown	To supplement working capital	- The right to collect debts formed in the future arising from the Design and Supply Contract for smart warehouse system and warehouse construction No. 01/HDEPC/ARC/2021 on 22 January 2021 and the amendments (if any) signed between Searefico E&C and ARC Binh Duong Joint Stock Company.
	7,787,243,835	Change for each drawdown	To supplement working capital	- The loan is secured by a revolving claim of Searee to the party whose payment obligation is the Company's Branch; and rights future debt collection arising from construction contract No. 53/2021/HBTC/NVW/HT-TFC signed on 16 June 2021 between Searee and The Forest City Ltd., Co.
TCB	Total: 130,685,205,575 99,615,708,018	Change for each drawdown	To supplement working capital	- Term deposit of Searefico E&C account number 19438028876013 with value of VND52,500,000,000. - Debt collection rights formed in the future arising from projects.
VCB	74,628,770,541	Change for each drawdown	To upgrade machinery equipment, converse Arico's production technology and invest in projects for production of unburn construction material of Greenpan.	- Assets formed from loan capital and fully supported with interest under the Program stimulate investment demand under Decision No. 5592/QĐ-UBND dated 25 October 2016 and Decision No. 5940/QĐ-UBND dated 25 December 2018 of the Ho Chi Minh City People's Committee. - Fixed assets of Greenpan (Note 11(a)).
MBB	2,000,000,000	Change for each drawdown	To supplement working capital	- Unsecured.
	3,428,609,757	Change for each drawdown	To supplement working capital	- Demand deposit of VND335,000,000 (Note 3). - Account receivables with a value of VND7,563,456,000
	8,336,179,744 Total: 13,764,789,501	Change for each drawdown	To supplement working capital	- Fixed assets of Phoenix (Note 11(a)).

19 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term (continued)

Bank	As at 31 December 2022 (VND)	Interest rate	Purpose	Collateral
MSB	8,945,522,205	Change for each drawdown	To supplement working capital	Unsecured
	8,804,165,928	Change for each drawdown	To supplement working capital	Unsecured
	29,610,853,712	Change for each drawdown	To supplement working capital	Unsecured
	26,455,707,012	Change for each drawdown	To supplement working capital	Unsecured
	73,816,248,857			

(c) Finance lease liabilities

	2022		2021	
	Total VND	Interest VND	Principal VND	Interest VND
Within one year	392,707,504	79,359,504	313,348,000	-
Between one and five years	546,709,800	51,949,800	494,760,000	-
	<u>939,417,304</u>	<u>131,309,304</u>	<u>808,108,000</u>	<u>-</u>

Details of finance lease liabilities is as below:

Finance Lessor

	31.12.2022 VND	31.12.2021 VND	Due date	Interest rate (by year)
Chailease International Leasing Co., Ltd.	808,108,000	-	19/12/2025	CILC's VND standard rate + 5.95% margin

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

	2022 VND	2021 VND
Beginning of year	1,376,538,681	2,011,567,497
Provision	297,385,264	1,489,854,877
Utilisation	(1,061,904,283)	(2,124,883,693)
End of year	<u>612,019,662</u>	<u>1,376,538,681</u>

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

(b) Long-term

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

21 BONUS AND WELFARE FUNDS

	2022 VND	2021 VND
Beginning of year	13,375,799,984	15,814,687,470
Increase during the year (*) (Note 24,25)	3,169,910,675	6,574,730,987
Utilisation during the year	(9,407,650,881)	(9,013,618,473)
End of year	<u>7,138,059,778</u>	<u>13,375,799,984</u>

(*) According to the Resolution of the General Meeting of Shareholders No. 02/NQ/SRF/ĐHĐCĐ/22 dated 14 April 2022, the Shareholders of the Company approved the appropriation of profit to bonus and welfare funds with an amount of VND1,754,130,533.

According to the Resolution of the General Meeting of Shareholders No. 01/ĐHĐCĐ/NQ/22 dated 14 April 2022, the Shareholders of Arico approved the appropriation of profit to bonus and welfare funds with an amount of VND1,415,780,142.

22 DEFERRED INCOME TAX ASSETS

	2022 VND	2021 VND
Deferred tax assets to be recovered after more than 12 months	13,686,012,020	13,086,107,310
Deferred tax assets to be recovered within 12 months	866,579,218	1,638,669,831
Total	<u>14,552,591,238</u>	<u>14,724,777,141</u>

Movements in the deferred income tax assets are as follows:

	2022 VND	2021 VND
Beginning of year	14,724,777,141	12,602,901,507
Income statement (charge)/credit (Note 35)	(172,185,903)	2,121,875,634
End of year	<u>14,552,591,238</u>	<u>14,724,777,141</u>

Details for deferred income tax assets:

	2022 VND	2021 VND
Income from divestment in a subsidiary	6,300,000,000	6,300,000,000
Income from capital contribution by fixed assets	3,113,351,734	3,255,938,995
Deductible temporary differences in relation to accrued expenses and provisions	2,320,941,165	3,091,404,557
Interest expenses excess of 30% EBITDA	2,818,298,339	2,077,433,589
Total	<u>14,552,591,238</u>	<u>14,724,777,141</u>

Tax rates used for determining deferred tax assets in the years 2022 and 2021 is 20% for the Company, 20% for Arico and 10% for Greenpan.

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23 OWNERS' CAPITAL

(a) Number of ordinary shares

	2022 Ordinary shares	2021 Ordinary shares
Number of shares registered	35,566,780	35,566,780
Number of shares issued	35,566,780	35,566,780
Number of shares repurchased	(1,780,000)	(1,780,000)
Number of existing shares in circulation	33,786,780	33,786,780

(b) Details of owners' shareholding

	2022		2021	
	Ordinary shares	%	Ordinary shares	%
Taisei Oncho Company Limited	8,909,456	25.05	8,909,456	25.05
Sanyo Engineering & Construction Vietnam Company Limited	7,150,000	20.10	7,150,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.85	4,567,200	12.85
Other shareholders	13,160,124	37.00	13,160,124	37.00
Treasury shares	1,780,000	5.00	1,780,000	5.00
Number of shares	35,566,780	100.00	35,566,780	100.00

(c) Movement of owners' capital

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

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

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development funds VND	Undistributed earnings VND	Total VND
As at 1 January 2021	324,953,970,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	151,993,358,462	460,717,715,606
Net profit for the year	-	-	-	-	-	29,464,660,878	29,464,660,878
Appropriation to Bonus and welfare funds	-	-	-	-	-	(6,094,065,573)	(6,094,065,573)
Dividends declared (Note 26)	30,713,830,000	-	-	-	-	(30,713,830,000)	-
As at 31 December 2021	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	144,650,123,767	484,088,310,911
Net loss for the year	-	-	-	-	-	(141,294,029,892)	(141,294,029,892)
Appropriation to Bonus and welfare funds (Note 21)	-	-	-	-	-	(2,943,385,852)	(2,943,385,852)
As at 31 December 2022	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	412,708,023	339,850,895,167

25 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	2022 VND	2021 VND
Share capital	86,005,000,000	83,130,000,000
Undistributed earnings	3,132,905,880	6,462,540,169
	<u>89,137,905,880</u>	<u>89,592,540,169</u>

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

	2022 VND	2021 VND
Beginning of year	89,592,540,169	76,029,718,906
Capital increase during the year	-	10,391,740,000
Net (loss)/profit for the year	(36,109,466)	4,895,127,679
Reissuance of treasury shares	-	377,300,000
Appropriation to bonus and welfare funds (Note 21)	(226,524,823)	(480,665,414)
Dividends declared	(192,000,000)	(1,620,681,002)
Ending of year	<u>89,137,905,880</u>	<u>89,592,540,169</u>

26 DIVIDENDS

	2022 VND	2021 VND
Beginning of year	596,400,800	596,400,800
Dividends payable during the year (Note 24)	-	30,713,830,000
<i>Dividend for the year</i>	-	<i>30,713,830,000</i>
Dividends paid during the year	-	(30,713,830,000)
<i>Dividend paid by issuing shares (Note 24)</i>	-	<i>(30,713,830,000)</i>
End of year (Note 18(a))	<u>596,400,800</u>	<u>596,400,800</u>

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

	Year ended 31 December	
	2022	2021
Net (loss)/profit attributable to shareholders (VND)	(141,294,029,892)	29,464,660,878
Less amount allocated to bonus and welfare funds (VND) (*)	(2,943,385,852)	(6,094,065,573)
	<u>(144,237,415,744)</u>	<u>23,370,595,305</u>
Weighted average number of ordinary shares in issue (shares)	33,786,780	31,683,093
Basic (loss)/earnings per share (VND)	<u>(4,269)</u>	<u>738</u>

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

(*) Expected deductions for bonus and welfare funds for the financial year ended on 31 December 2022 based on the profit distribution plan in 2022 according to the Resolution of the Shareholders' General Meeting No. 02/NQ/SRF/ĐHĐCĐ/22 on 14 April 2022 and according to the Decision of the Board of Directors dated 31 December 2022 of the Company.

(b) Diluted (loss)/earnings per share

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

The Company had no potential ordinary shares which can dilute (loss)/earnings per share during the year and up to the date of these consolidated financial statements.

28 OFF BALANCE SHEET ITEMS

	2022	2021
Foreign currencies		
United States Dollar (USD)	14,314.94	1,314.99
Euro (EUR)	9,398.74	-
Great British Pound (GBP)	-	7.16
Australian Dollar (AUD)	-	0.67

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Net revenue from construction contracts	927,437,199,932	740,563,284,161
Net revenue from sales of goods	240,929,733,813	187,929,959,853
Net revenue from other services	16,219,703,986	1,781,614,061
Net revenue from sales of scraps	1,021,784,239	165,281,364
Total	<u>1,185,608,421,970</u>	<u>930,440,139,439</u>

30 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of construction contracts	963,874,715,870	685,269,255,379
Cost of goods sold	224,118,129,242	158,227,572,359
Cost of other services	14,186,958,759	531,004,705
Provision/(reversal of provision) for decline in value of inventories (Note 9)	2,193,079,760	(136,754,168)
Total	<u>1,204,372,883,631</u>	<u>843,891,078,275</u>

31 FINANCIAL INCOME

	2022 VND	2021 VND
Income from divestment from an associate	87,586,544,644	-
Interest income from deposits and loans	11,492,383,044	7,945,264,909
Interest income from bonds	3,761,238,549	-
Realised foreign exchange gains	1,680,980,617	1,413,778,269
Dividends	84,000,000	120,000,000
Net gain from foreign currency translation at year-end	-	3,087,573,219
Others	13,769,271	101,899,173
Total	<u>104,618,916,125</u>	<u>12,668,515,570</u>

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32 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	38,869,072,408	36,489,486,150
Expenses for divestment from associate	7,657,899,612	-
Net loss from foreign currency translation at year-end	1,673,920,556	-
Realised foreign exchange losses	593,129,249	111,481,146
Other financial expenses	-	129,724,249
Total	<u>48,794,021,825</u>	<u>36,730,691,545</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Provision/(reversal of provision) for doubtful debts (Note 8)	77,356,001,435	(8,102,967,935)
Staff costs	51,824,673,093	33,586,487,323
Outside service expenses	15,267,433,483	11,882,644,711
Written-off bad debts	5,002,387,500	-
Depreciation and amortisation	2,160,459,665	2,086,585,660
Tools and supplies	480,720,344	111,330,971
Others	8,335,132,111	4,172,211,083
Total	<u>160,426,807,631</u>	<u>43,736,291,813</u>

34 OTHER INCOME AND OTHER EXPENSES

	2022 VND	2021 VND
Other income		
Written-off payables	1,105,432,503	4,968,959,213
Gains on disposal of fixed assets	-	1,184,541,334
Others	2,574,548,805	423,674,193
Total	<u>3,679,981,308</u>	<u>6,577,174,740</u>
Other expenses		
Fines	1,547,333,638	276,854,107
Losses on disposal of fixed assets	137,874,723	-
Others	1,381,542,008	924,396,517
Total	<u>3,066,750,369</u>	<u>1,201,250,624</u>

35 CORPORATE INCOME TAX (“CIT”)*Arico*

Pursuant to the Investment certificate No. 41221000103 issued by the DPI of Ho Chi Minh City on 2 April 2008, tax inspection minutes dated 23 September 2013 for the period from 2010 to 2012 and other current regulations, the Board of Management assessed that Arico is entitled to CIT incentives at tax rate of 15% for 12 years from the first year of arising revenue from CIT incentive activities (2010), CIT exemption for 3 years from the first year of arising taxable income (2010 – 2012) and a 50% CIT reduction for 7 years thereafter (2013 – 2019). In 2 consecutive years (2020 – 2021), Arico is entitled to CIT incentives at tax rate of 15%, and from 2022 onwards, Arico has the obligation to pay business income tax at common tax rate.

Greenpan

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

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

Phoenix

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

The Company and other subsidiaries

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

35 CORPORATE INCOME TAX (“CIT”) (continued)

The CIT on the Group’s (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2022 VND	2021 VND
Net accounting (loss)/profit before tax	(126,893,185,591)	37,910,501,802
Tax calculated at a rate of 20%	(26,212,963,372)	6,310,982,973
Tax calculated at a rate of 10%	413,970,196	635,558,693
Effect of:		
Income not subject to tax	(201,600,000)	(3,471,607,571)
Net income from divestment an associate	21,601,155,067	-
Tax losses in subsidiaries for which no deferred income tax asset was recognised	17,350,263,171	691,093,215
Expenses not deductible for tax purposes	1,196,230,372	877,407,611
Tax incentive	-	(626,091,509)
Tax deduction	(220,381,736)	(838,278,460)
Tax exemption	(413,970,196)	(635,558,693)
Under-provision in previous years	924,250,265	607,206,986
CIT charge (*)	14,436,953,767	3,550,713,245
Charged/(credited) to consolidated income statement:		
CIT – current	14,264,767,864	5,672,588,879
CIT– deferred (Note 22)	172,185,903	(2,121,875,634)
CIT charge (*)	14,436,953,767	3,550,713,245

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

The Company’s tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in financial statements. The estimated amount of tax losses available for offset against the Company’s future taxable profit is:

Arico

Year of tax loss	Status of tax authorities’ review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2022	Outstanding	18,673,191,110	-	18,673,191,110

Arico did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits currently cannot be assessed as probable or the amount of deferred income tax assets is assessed insignificant.

35 CORPORATE INCOME TAX (“CIT”) (continued)*The Branch*

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss forfeited VND	Loss carried forward VND
2021	Outstanding	3,147,794,075	3,147,794,075	-
2022	Outstanding	107,408,859,750	107,408,859,750	-

The Branch did not recognise deferred income tax assets relating to the above tax losses carried forward, as the branch will be closed in the future.

36 COSTS OF OPERATION BY FACTOR

	2022 VND	2021 VND
Raw materials	598,978,834,787	631,027,899,205
Outside service expenses	421,820,859,040	134,806,687,618
Staff costs	172,864,859,161	149,785,361,964
Provision/(reversal of provision) for doubtful debts (Note 8)	77,356,001,435	(8,102,967,935)
Depreciation and amortisation expenses	16,875,130,755	16,866,016,999
Provision/(reversal of provision) for decline in value of inventories (Note 9)	2,193,079,760	(136,754,168)
Tools and supplies	3,503,807,984	2,630,037,612
Others	19,719,532,508	11,536,348,959
	<u>1,313,312,105,430</u>	<u>938,412,630,254</u>

37 SEGMENT REPORTING*Business segment*

Construction and sales of goods and other services are the main activities generating revenue and profit for the Group. The Group does not track information about assets and liabilities by business sector.

	Year ended 31 December 2022			
	Construction VND	Sales of goods VND	Other services VND	Sales of scraps VND
Net revenue	927,437,199,932	240,929,733,813	16,219,703,986	1,021,784,239
Cost of sales	(963,874,715,870)	(226,311,209,002)	(14,186,958,759)	-
Gross profit/(loss)	(36,437,515,938)	14,618,524,811	2,032,745,227	1,021,784,239
				(18,764,461,661)

	Year ended 31 December 2021			
	Construction VND	Sales of goods VND	Other services VND	Sales of scraps VND
Net revenue	740,563,284,161	187,929,959,853	1,781,614,061	165,281,364
Cost of sales	(685,269,255,379)	(158,090,818,191)	(531,004,705)	-
Gross profit	55,294,028,782	29,839,141,662	1,250,609,356	165,281,364
				86,549,061,164

Geographical segment

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

38 RELATED PARTY DISCLOSURES

Details of subsidiaries and associates are given in Note 4.

The divestment at Thua Thien Hue Construction Joint Stock Corporation was completed on 21 March 2022, therefore as at 31 December 2022, Thua Thien Hue Construction Joint Stock Corporation was no longer a related party of the Group.

(a) Related party transactions

The primary transactions with related parties incurred in the year are:

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
i) The salary and remuneration of key management				
Remuneration for the Boards of Directors and Supervision			1,920,000,000	1,560,000,000
Mr. Le Tan Phuoc			420,000,000	360,000,000
Mr. Nguyen Huu Thinh			300,000,000	240,000,000
Mr. Ryota Fukuda			300,000,000	240,000,000
Mr. Nishi Masayuki			300,000,000	240,000,000
Mr. Le Quang Phuc			300,000,000	240,000,000
Mr. Pham Kyle Anh Tuan			250,000,000	-
Mr. Lee Men Leng			50,000,000	240,000,000
Salaries and benefits of the Board of Management			5,879,614,877	3,343,689,458
Mr. Vu Xuan Thuc			463,720,292	-
Mr. Tran Dinh Muoi			1,202,897,778	-
Mr. Dinh Ngoc Trien			254,932,339	-
Mrs. Nguyen Thi Thanh Huong			800,645,164	1,344,057,580
Mr. Pham Ngoc Son			1,007,810,941	903,044,706
Mr. Huynh Khoi Binh			134,603,950	-
Mr. Nguyen Quoc Cuong			332,984,800	-
Mr. Phan Thanh Long			1,119,537,989	415,723,834
Mr. Vuong Tran Quoc Thanh			562,481,624	680,863,338
Total			<u>7,799,614,877</u>	<u>4,903,689,458</u>

ii) Financing activities

Mr. Nguyen Khoa Dang	Related party	Borrowings received	2,945,207,000	-
Mr. Pham Ngoc Son	Related party	Borrowings received	-	4,000,000,000
Mr. Pham Ngoc Son	Related party	Borrowings repaid	120,000,000	-
Mr. Le Quang Thong	Related party	Capital contribution	-	525,000,000

38 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
Other short-term receivables (Note 7(a))				
Members of the Board of Directors, Board of Management		Others	2,586,301,846	3,346,447,571
Mr. Nguyen Khoa Dang	Related party	Others	707,768,584	500,525,087
Mr. Phan Dinh Vinh	Related party	Others	452,823,032	550,678,300
Mr. Dao Ngoc Long	Related party	Others	520,629,454	37,500,000
			<u>4,267,522,916</u>	<u>4,435,150,958</u>
Short-term trade accounts payable (Note 13)				
HCC		Construction services	-	9,807,710,075
			<u>-</u>	<u>9,807,710,075</u>
Other short-term payables (Note 18(a))				
Members of the Board of Directors, Board of Management		Others	476,614,210	124,215,000
Mr. Dao Ngoc Long	Related party	Others	67,055,877	64,395,877
HCC		Late payment interest	-	88,642,263
			<u>543,670,087</u>	<u>277,253,140</u>
Short-term borrowing and finance lease liabilities (Note 19(a))				
Mr. Nguyen Khoa Dang	Related party	Borrowing	2,945,207,000	-
			<u>2,945,207,000</u>	<u>-</u>
Long-term borrowing and finance lease liabilities (Note 19(b))				
Mr. Pham Ngoc Son	Related party	Borrowing	3,880,000,000	4,000,000,000
			<u>3,880,000,000</u>	<u>4,000,000,000</u>

39 COMMITMENTS**(a) Commitments under operating leases**

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

	2022 VND	2021 VND
Within one year	2,455,543,858	5,084,743,858
Between one and five years	4,007,575,433	5,461,225,433
Over five years	18,922,617,125	21,197,700,416
Total minimum payments	<u>25,385,736,416</u>	<u>31,743,669,707</u>

(b) Other commitments

As at 31 December 2022 and 31 December 2021, the Group was committed by banks to provide guarantees with a total amount of VND584,809,770,237 and VND209,180,361,124 respectively for the advance guarantee, tender guarantee, retained payment guarantee, contract performance guarantee, contract quality assurance guarantee and warranty guarantee.

The consolidated financial statements were approved by the Board of Management on 15 March 2023.



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant



Vu Xuan Thuc
Chief Executive Officer