

SEAREFICO CORPORATION

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



SEAREFICO CORPORATION

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SEAREFICO CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate joint stock company

No. 0301825452 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1999 and the latest (21st) amendment dated 28 September 2022.

Board of Directors

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

Audit Committee

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

Science and Technology Committee

Mr. Le Tan Phuoc	Chairman
Mr. Nishi Masayuki	Member

Compensation and Organisation Development Committee

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

Board of Internal Audit under Board of Directors

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

SEAREFICO CORPORATION

CORPORATE INFORMATION (continued)

Board of Management	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)
	Ms. 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 separate financial statements

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management is required to:

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

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

Approval of the separate financial statements

We hereby approve the accompanying separate financial statements as set out on pages 6 to 49 which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate 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 separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management



Vu Xuan Thuc
Chief Executive Officer
Legal representative

Ho Chi Minh City, Vietnam
15 March 2023

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

We have audited the accompanying separate financial statements of Searefico Corporation ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management on 15 March 2023. The separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 6 to 49.

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 separate 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 separate financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the separate 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 Company'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 separate 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 separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2022, its separate financial performance and its separate 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 separate 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



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

Report reference number: HCM13015
Ho Chi Minh City, 15 March 2023

SEAREFICO CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		537,961,787,686	697,639,081,578
110	Cash and cash equivalents	3	102,022,909,817	18,248,461,423
111	Cash		839,234,784	18,248,461,423
112	Cash equivalents		101,183,675,033	-
120	Short-term investments		110,000,000,000	110,000,000,000
123	Investments held to maturity	4(a)	110,000,000,000	110,000,000,000
130	Short-term receivables		287,232,677,888	510,560,203,220
131	Short-term trade accounts receivable	5	306,705,071,413	464,506,007,581
132	Short-term prepayments to suppliers	6	14,382,858,944	14,510,474,258
135	Short-term lendings	36(b)	41,100,000,000	1,150,000,000
136	Other short-term receivables	7(a)	21,433,981,352	49,767,567,153
137	Provision for doubtful debts - short-term	8	(96,389,233,821)	(19,373,845,772)
140	Inventories	9	29,981,794,281	35,399,850,396
141	Inventories		29,981,794,281	35,399,850,396
150	Other current assets		8,724,405,700	23,430,566,539
151	Short-term prepaid expenses	10(a)	1,013,480,550	376,351,597
152	Value added tax ("VAT") to be reclaimed	15(a)	7,700,434,146	23,054,214,942
153	Tax and other receivables from the State	15(a)	10,491,004	-

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		343,691,342,534	403,013,121,277
210	Long-term receivables		1,373,260,000	4,373,260,000
212	Long-term prepayments to suppliers	36(b)	-	3,000,000,000
216	Other long-term receivables	7(b)	1,373,260,000	1,373,260,000
220	Fixed assets		1,224,920,988	1,024,186,697
221	Tangible fixed assets	11(a)	1,147,731,544	1,024,186,697
222	Historical cost		8,434,951,389	8,117,033,655
223	Accumulated depreciation		(7,287,219,845)	(7,092,846,958)
227	Intangible fixed assets	11(b)	77,189,444	-
228	Historical cost		2,093,356,260	2,011,626,260
229	Accumulated amortisation		(2,016,166,816)	(2,011,626,260)
240	Long-term assets in progress		26,815,802,012	29,803,503,417
242	Construction in progress	12	26,815,802,012	29,803,503,417
250	Long-term investments		311,810,906,116	364,203,786,116
251	Investments in subsidiaries	4(b)	308,354,188,754	308,354,188,754
252	Investments in associates	4(b)	-	51,392,880,000
253	Investments in other entities	4(b)	3,456,717,362	4,456,717,362
260	Other long-term assets		2,466,453,418	3,608,385,047
261	Long-term prepaid expenses	10(b)	-	500,911,491
262	Deferred income tax assets	22	2,466,453,418	3,107,473,556
270	TOTAL ASSETS		881,653,130,220	1,100,652,202,855

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEAREFICO CORPORATION


Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		506,214,244,523	702,247,108,110
310	Short-term liabilities		504,101,832,773	696,097,731,775
311	Short-term trade accounts payable	13	236,101,933,055	284,338,850,226
312	Short-term advances from customers	14	47,506,984,335	32,080,254,422
313	Tax and other payables to the State	15(b)	11,659,597,115	3,614,157,302
314	Payables to employees	16	1,120,761,814	1,352,598,009
315	Short-term accrued expenses	17	31,403,494,219	34,337,753,574
319	Other short-term payables	18(a)	16,855,181,944	14,004,157,905
320	Short-term borrowings	19	153,525,409,233	314,569,387,946
321	Provision for short-term liabilities	20(a)	480,830,348	606,161,130
322	Bonus and welfare funds	21	5,447,640,710	11,194,411,261
330	Long-term liabilities		2,112,411,750	6,149,376,335
337	Other long-term payables	18(b)	-	3,625,454,585
342	Provision for long-term liabilities	20(b)	2,112,411,750	2,523,921,750
400	OWNERS' EQUITY		375,438,885,697	398,405,094,745
410	Capital and reserves		375,438,885,697	398,405,094,745
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
415	Treasury shares	24	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	24	5,427,578,589	5,427,578,589
421	Undistributed earnings	24	43,297,895,148	66,264,104,196
421a	- Undistributed post-tax profits of previous years		64,509,973,663	48,722,798,863
421b	- (Post-tax loss)/post-tax profit of current year		(21,212,078,515)	17,541,305,333
440	TOTAL RESOURCES		881,653,130,220	1,100,652,202,855



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant



Vu Xuan Thuc
Chief Executive Officer
15 March 2023

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

Code		Note	Year ended 31 December	
			2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services		35,072,898,635	213,265,052,087
10	Net revenue from sales of goods and rendering of services	27	35,072,898,635	213,265,052,087
11	Cost of goods sold and services rendered	28	(106,532,096,387)	(196,313,008,433)
20	Gross (loss)/profit from sales of goods and rendering of services		(71,459,197,752)	16,952,043,654
21	Financial income	29	212,030,403,421	30,678,531,227
22	Financial expenses	30	(22,877,413,313)	(20,847,715,923)
23	- Including: Interest expense	30	(14,839,343,141)	(20,835,503,660)
26	General and administration expenses	31	(125,863,941,759)	(13,993,500,051)
30	Net operating (loss)/profit		(8,170,149,403)	12,789,358,907
31	Other income	32	2,713,805,810	7,316,099,872
32	Other expenses	32	(2,357,055,118)	(1,479,965,062)
40	Net other income		356,750,692	5,836,134,810
50	Net accounting (loss)/profit before tax		(7,813,398,711)	18,625,493,717
51	Corporate income tax ("CIT") - current	33	(12,757,659,666)	(1,727,469,490)
52	CIT - deferred	33	(641,020,138)	643,281,106
60	Net (loss)/profit after tax		(21,212,078,515)	17,541,305,333



Nguyen Thanh Tam
Preparer



Dinh Ngoc Trien
Chief Accountant



Vu Xuân Thục
Chief Executive Officer
15 March 2023

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE 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	(7,813,398,711)	18,625,493,717
Adjustments for:			
02	Depreciation and amortisation	575,003,709	826,012,775
03	Provisions/(reversal of provisions)	77,039,388,049	(9,053,667,365)
04	Unrealised foreign exchange losses/(gains)	380,170,560	(2,890,032,809)
05	Profits from investing activities	(210,960,715,175)	(28,486,824,587)
06	Interest expense	14,839,343,141	20,835,503,660
08	Operating loss before changes in working capital	(125,940,208,427)	(143,514,609)
09	Decrease in receivables	213,048,156,080	299,208,313,591
10	Decrease/(increase) in inventories	5,418,056,115	(4,482,865,077)
11	Decrease in payables	(42,431,805,666)	(88,957,652,834)
12	(Increase)/decrease in prepaid expenses	(136,217,462)	887,242,352
14	Interest paid	(14,982,930,536)	(20,095,930,024)
15	CIT paid	(3,668,455,533)	(7,760,451,257)
17	Other payments on operating activities	(7,500,901,084)	(7,187,730,438)
20	Net cash inflows from operating activities	23,805,693,487	171,467,411,704
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(293,008,000)	(48,500,000)
22	Proceeds from disposals of fixed assets	5,050,000	771,404,958
23	Loan granted, term deposits at banks and purchases of bonds of other entities	(315,131,878,384)	(2,450,000,000)
24	Collection of loans, term deposits at banks and proceeds from sales of bonds of other entities	269,993,878,384	11,300,000,000
25	Investments in other entities	-	(96,670,000,000)
26	Proceeds from divestment in associate and other entities	247,985,200,000	36,850,000,000
27	Dividends and interest received	13,456,333,846	19,750,644,529
30	Net cash inflows/(outflows) from investing activities	216,015,575,846	(30,496,450,513)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	144,190,047,971	881,749,363,381
34	Repayments of borrowings	(300,236,868,910)	(1,036,811,534,856)
40	Net cash outflows from financing activities	(156,046,820,939)	(155,062,171,475)
50	Net increase/(decrease) in cash of year	83,774,448,394	(14,091,210,284)
60	Cash and cash equivalents at beginning of year	18,248,461,423	32,339,671,707
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	102,022,909,817	18,248,461,423

Additional information relating to the separate cash flow statement is presented in Note 35

 Nguyen Thanh Tam
 Preparer

 Đinh Ngọc Trien
 Chief Accountant

 Vũ Xuân Thúc
 Chief Executive Officer
 15 March 2023



The notes on pages 11 to 49 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE 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 stock trading code “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 is 12 months for manufacturing and service provision and from 12 months to 24 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 the following 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 Company had 25 employees (as at 31 December 2021: 28 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 rights (%)		Ownership (%)		Voting rights (%)	
Direct subsidiaries										
Searefico Engineering and Construction Joint Stock Company ("Searefico E&C")	Installation of industrial refrigeration projects, air conditioning systems	District 3, Ho Chi Minh City, Vietnam	99.31	99.31	99.31	99.31				
Seareal Real Estate Joint Stock Company ("Seareal")	Trading real estate	District 3, Ho Chi Minh City, Vietnam	98.40	98.40	98.40	98.40				
Asia Refrigeration Industry Joint Stock Company ("Arico")	Execution of refrigeration electrical mechanical systems; producing insulated materials	Binh Tan District, Ho Chi Minh City, Vietnam	84.00	84.00	84.00	84.00				
Indirect subsidiaries										
Searee Refrigeration Electrical Engineering Corporation ("Searee")	Execution of refrigeration electrical mechanical systems	Lien Chieu District, Da Nang City, Vietnam	73.19	73.70	73.19	73.70				
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				
Associate										
Thua Thien Hue Construction Joint Stock Corporation ("HCC") (*)	Construction of civil and industrial projects	Hue City, Thua Thien – Hue Province, Vietnam	0.00	0.00	36.00	36.00				

(*) According to the Resolution of the Board of Directors No. 01/QĐ/SRF/HĐQT/22 dated 17 January 2022, the Company has divested all the shares that the Company owned in Thua Thien Hue Construction Joint Stock Corporation. This divestment was completed on 21 March 2022 with an amount of VND246,985,200,000.

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

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

The accompanying separate financial statements are not intended to present the financial position and results of separate operations and separate 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 separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Company. The separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Company has also prepared consolidated financial statements of the Company and its subsidiaries (together, “the Group”), in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

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

2.2 Fiscal year

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

2.3 Currency

The separate financial statements are measured and presented in Vietnamese Dong (“VND”), 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 separate income statement.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

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

2.6 Receivables

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

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

2.7 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	- Cost of purchase on a weighted average basis.
Work in progress	- Cost of direct materials and labour plus manufacturing overheads directly attributable to specific projects.

Net realisable value is the estimated selling price of the materials and constructions in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. 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)**2.8 Investments****(a) Investments held to maturity**

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

Investments held to maturity include bank term deposits. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investments are uncollectible in whole or in part. Changes in the provision balance during the accounting 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

(b) Investments in subsidiaries

Subsidiaries are all entities whose financial and operating policies the Company has the power to govern 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 Company controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditures directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Investment in associates

Associate is the investment that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are accounted for at cost of acquisition including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews the outstanding investment to determine the amount of provision to recognise at the year end.

(d) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(e) Provision for investments in subsidiaries, associates and other entities**

Provision for investments in subsidiaries, associate, and other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in subsidiaries, associates and joint ventures is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries, associates and joint ventures.

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.

2.9 Lendings

Lendings are lendings granted for interest the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. 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.

Lendings are classified into short-term and long-term lendings on the separate balance sheet based on the remaining term of the lendings as at the separate balance sheet date.

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 year.

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 year of the contract as revenue and expenses, respectively. The Company uses the realized volume value method to determine the appropriate amounts of revenue and expenses to recognize during the year. The value of the executed volume is determined by the value of the completed construction work in the year confirmed by the customer.

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

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the separate 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 financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

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

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the separate 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 are comprised of such necessary costs to newly 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 equipments; project management expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Company'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 separate income statement on a straight-line basis over the term of the lease.

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

Prepaid expenses include short-term and long-term prepayments on the separate 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 on a straight-line basis over their estimated useful lives or the period which economic benefits are generated in relation to these expenses.

2.14 Payables

Classifications of payables are based on their nature as follows:

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

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

2.15 Borrowings

Borrowings include borrowings from banks and related parties.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time 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 Company 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 Company'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 separate income statement when incurred.

2.16 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Provisions**

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

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.

2.18 Provision for severance allowances

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

The severance allowance is accrued at the end of the fiscal year 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's average salary for the six-month period prior to the separate balance sheet date.

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

2.19 Capital and reserves

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

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

Treasury shares brought before the effective date of the Securities Law (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 Company's results profits after CIT at the reporting date.

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

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

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

The Company 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 profit after CIT of the Company and approved by shareholders in the General Meeting of shareholders. This fund is used for in the Company'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 Company's profit after CIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the separate balance sheet. This fund is appropriated for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

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

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

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

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 Company gives promotional goods to customers associated with their purchases, the Company 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 separate income statement.

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

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

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

(c) Revenue from rendering of services

Revenue from rendering of services is recognised in the separate 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 rendering of services is only recognised when the 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 Company;
- The percentage of completion of the transaction at the 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 Company has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year.

Sales deductions for sales of products, goods or rendering of services which are sold/rendered in the year but are incurred after the separate balance sheet date but before the issuance of the separate financial statements are recorded as a deduction from the revenue of the year.

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 rendered during the year, and recorded on the basis of matching with revenue and on a 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 basis. The Board of Management and Division Directors 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

Financial expenses are expenses incurred in the year for financial activities including interest expense and losses from foreign exchange differences.

2.26 General and administration expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Current and deferred income tax**

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

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

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

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

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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the Board of Directors, the Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company 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 Company engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment or the Company's geographical segment.

2.30 Critical accounting estimates

The preparation of separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate 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 separate 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 ratio (Note 2.24);
- Provision for doubtful debts (Note 8);
- Estimated useful life of fixed assets (Note 11); and
- Accrued expenses and provisions (Note 17 and 20).

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 Company 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	-	202,256,980
Cash in bank	839,234,784	18,046,204,443
Cash equivalents (*)	101,183,675,033	-
Total	<u>102,022,909,817</u>	<u>18,248,461,423</u>

(*) Cash equivalents comprise cash in banks with an original maturity of three months or less.

4 INVESTMENTS**(a) Investment 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>110,000,000,000</u>	<u>110,000,000,000</u>	<u>110,000,000,000</u>	<u>110,000,000,000</u>

(*) Included in the balance as at 31 December 2022 and 31 December 2021 are VND110billion at 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) Long-term investments in subsidiaries, associates and other entities

	2022		2021	
	Cost VND	% of ownership	Cost VND	% of ownership
(i) Investments in subsidiaries				
Searefico Engineering and Construction Joint Stock Company ("Searefico E&C")	148,970,000,000	99.31	148,970,000,000	99.31
Asia Refrigeration Industry Joint Stock Company ("Arico")	96,384,188,754	84.00	96,384,188,754	84.00
Seareal Real Estate Joint Stock Company ("Seareal")	63,000,000,000	98.40	63,000,000,000	98.40
Total	<u>308,354,188,754</u>		<u>308,354,188,754</u>	
(ii) Investments in associates				
Thua Thien Hue Construction Joint Stock Corporation ("HCC")	-	0.00	51,392,880,000	36.00
(iii) Investments in other entities				
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
Total	<u>3,456,717,362</u>		<u>4,456,717,362</u>	

For the investments in Searefico E&C, Seareal, Arico, Inwatek and Formtek, as at 31 December 2022 and 31 December 2021, the Company has not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022 VND	2021 VND
Third parties	292,661,691,261	448,878,278,643
<i>Industrial Construction Corporation</i>	84,360,709,259	84,360,709,259
<i>Syrena Phu Quoc Land Joint Stock Company</i>	34,590,755,524	30,142,898,589
<i>Saigon Binh Chau Corporation</i>	21,888,743,960	54,552,933,668
<i>Hai Dang Real Estate Investment Joint Stock Company</i>	4,179,948,608	18,853,173,147
<i>Others</i>	147,641,533,910	260,968,563,980
Related parties (Note 36(b))	14,043,380,152	15,627,728,938
Total	<u>306,705,071,413</u>	<u>464,506,007,581</u>

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

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Third parties	13,681,228,844	11,830,517,145
<i>CDH Ha Noi Construction Installation & Consultancy Joint Stock Company</i>	3,116,039,148	-
<i>Gia Hung Construction and Import Export Company Limited</i>	2,343,178,838	2,343,178,838
<i>Sao Phuong Nam Corporation</i>	-	1,416,571,310
<i>Others</i>	8,222,010,858	8,070,766,997
Related parties (Note 36(b))	701,630,100	2,679,957,113
Total	<u>14,382,858,944</u>	<u>14,510,474,258</u>

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

	2022 VND	2021 VND
Third parties	6,971,240,495	9,034,396,694
<i>Interest income receivable from banks</i>	2,886,726,026	2,682,893,699
<i>Other receivables from employees</i>	2,787,990,146	5,114,895,322
<i>Deposits</i>	820,723,376	771,865,334
<i>Others</i>	475,800,947	464,742,339
Related parties (Note 36(b))	14,462,740,857	40,733,170,459
Total	<u>21,433,981,352</u>	<u>49,767,567,153</u>

(b) Long-term

The balance represents long-term deposits and guarantees.

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

8 DOUBTFUL DEBTS

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	122,720,663,735	(96,389,233,821)	126,979,225,111	(19,373,845,772)
<i>Industrial Construction</i>	84,360,709,259	(84,360,709,259)	84,360,709,259	(400,592,562)
<i>Join Stock Company</i>	38,359,954,476	(12,028,524,562)	42,618,515,852	(18,973,253,210)
<i>Others</i>	<u>38,359,954,476</u>	<u>(12,028,524,562)</u>	<u>42,618,515,852</u>	<u>(18,973,253,210)</u>

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

	2022 VND	2021 VND
Beginning of year	19,373,845,772	44,851,052,405
Provision/(reversal of provision) (Note 31)	77,015,388,049	(8,901,481,935)
Write-off	-	(16,575,724,698)
End of year	<u>96,389,233,821</u>	<u>19,373,845,772</u>

9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	-	-	2,931,299	-
Work in progress (*)	29,981,794,281	-	35,396,919,097	-
Total	29,981,794,281	-	35,399,850,396	-

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

	2022 VND	2021 VND
Hai Dang City Project - Stage 2 (The Zei)	9,048,914,712	5,741,799,804
Gateway Thao Dien Project	8,686,804,267	15,597,729
Radison Blu Project	6,441,731,409	7,763,550
Hon Thom Project - Water Park Project	-	8,609,627,054
Binh Dinh Dry Warehouse Project	-	3,903,559,022
Kem Beach Resort Project - Phu Quoc	-	3,431,294,503
Others	5,804,343,893	13,687,277,435
Total	29,981,794,281	35,396,919,097

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10 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Insurance expenses	251,663,171	152,952,553
Tools and supplies	60,196,068	42,251,166
Others	701,621,311	181,147,878
Total	<u>1,013,480,550</u>	<u>376,351,597</u>

(b) Long-term

	2022 VND	2021 VND
Tools and supplies	-	42,613,226
Others	-	458,298,265
Total	<u>-</u>	<u>500,911,491</u>

Movements in prepaid expenses during the year are as follows:

	2022 VND	2021 VND
Beginning of year	877,263,088	1,764,505,440
Increase	6,714,621,883	4,599,889,605
Allocation	(6,578,404,421)	(4,798,256,957)
Others	-	(688,875,000)
End of year	<u>1,013,480,550</u>	<u>877,263,088</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost					
As at 1 January 2022	905,563,170	4,152,992,727	2,752,436,007	306,041,751	8,117,033,655
New purchases	-	-	247,008,000	-	247,008,000
Transfers from construction in progress (Note 12)	-	-	447,000,000	-	447,000,000
Disposals	-	-	(70,048,515)	(306,041,751)	(376,090,266)
As at 31 December 2022	905,563,170	4,152,992,727	3,376,395,492	-	8,434,951,389
Accumulated depreciation					
As at 1 January 2022	875,285,366	3,353,824,753	2,557,695,088	306,041,751	7,092,846,958
Charge for the year	18,528,924	332,959,272	218,974,957	-	570,463,153
Disposals	-	-	(70,048,515)	(306,041,751)	(376,090,266)
As at 31 December 2022	893,814,290	3,686,784,025	2,706,621,530	-	7,287,219,845
Net book value					
As at 1 January 2022	30,277,804	799,167,974	194,740,919	-	1,024,186,697
As at 31 December 2022	11,748,880	466,208,702	669,773,962	-	1,147,731,544

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND4,272,684,328 (as at 31 December 2021: VND4,272,684,328).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND	Others VND	Total VND
Historical cost			
As at 1 January 2022	1,712,426,260	299,200,000	2,011,626,260
Transfers from construction in progress (Note 12)	81,730,000	-	81,730,000
As at 31 December 2022	1,794,156,260	299,200,000	2,093,356,260
Accumulated amortisation			
As at 1 January 2022	1,712,426,260	299,200,000	2,011,626,260
Charge for the year	4,540,556	-	4,540,556
As at 31 December 2022	1,716,966,816	299,200,000	2,016,166,816
Net book value			
As at 1 January 2022	-	-	-
As at 31 December 2022	77,189,444	-	77,189,444

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2022 was VND2,011,626,260 (as at 31 December 2021: VND2,011,626,260).

12 CONSTRUCTION IN PROGRESS

	2022 VND	2021 VND
Phu Quoc Office	13,704,464,512	13,704,464,512
Da Nang Apartment Building	13,065,337,500	13,065,337,500
ERP System	-	2,970,701,405
Others	46,000,000	63,000,000
Total	26,815,802,012	29,803,503,417

12 CONSTRUCTION IN PROGRESS (continued)

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

	2022 VND	2021 VND
Beginning of year	29,803,503,417	29,803,503,417
Purchases	46,000,000	-
Transfers to tangible fixed assets (Note 11(a))	(447,000,000)	-
Transfers to intangible fixed assets (Note 11(b))	(81,730,000)	-
Write-offs	(2,504,971,405)	-
End of year	<u>26,815,802,012</u>	<u>29,803,503,417</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	127,913,447,905	127,913,447,905	177,854,887,718	177,854,887,718
<i>Company Building and Construction</i>				
<i>Electrical The Minh</i>	13,378,303,958	13,378,303,958	17,827,619,781	17,827,619,781
<i>System Logistic Spa</i>	4,560,223,035	4,560,223,035	17,575,969,372	17,575,969,372
<i>Others</i>	109,974,920,912	109,974,920,912	142,451,298,565	142,451,298,565
Related parties (Note 36(b))	108,188,485,150	108,188,485,150	106,483,962,508	106,483,962,508
Total	<u>236,101,933,055</u>	<u>236,101,933,055</u>	<u>284,338,850,226</u>	<u>284,338,850,226</u>

As at 31 December 2022 and 31 December 2021, the Company was able to pay when these trade accounts payable are due and there was no balance of short-term trade payables that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Third parties	42,237,984,335	22,811,254,422
<i>Kien A Khanh Hoa Investment Joint Stock Company</i>	18,967,583,007	17,319,262,094
<i>TTCL Vietnam Corporation Limited</i>	5,517,666,000	-
<i>Saigon - Cam Ranh Joint Stock Company</i>	4,758,953,650	4,758,953,650
<i>Dat Phuoc Investment Joint Stock Company</i>	4,541,919,107	-
<i>Others</i>	8,451,862,571	733,038,678
Related parties (Note 36(b))	5,269,000,000	9,269,000,000
Total	<u>47,506,984,335</u>	<u>32,080,254,422</u>

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in taxes 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	As at 31.12.2022 VND
(a) Tax receivables					
VAT input	23,054,214,942	12,876,692,283	-	(28,230,473,079)	7,700,434,146
Import tax	-	-	-	10,491,004	10,491,004
Total	23,054,214,942	12,876,692,283	-	(28,219,982,075)	7,710,925,150
(b) Tax payables					
CIT	2,482,553,981	12,757,659,666	(3,668,455,533)	-	11,571,758,114
Personal income tax	161,434,372	4,292,886,888	(4,385,819,134)	-	68,502,126
VAT on domestic sales	970,168,949	30,255,301,146	(1,925,288,403)	(29,280,844,817)	19,336,875
VAT on importation	-	507,806,864	(1,558,178,602)	1,050,371,738	-
Import tax	-	-	(10,491,004)	10,491,004	-
Foreign contractor tax	-	151,925,365	(151,925,365)	-	-
Business license tax	-	4,000,000	(4,000,000)	-	-
Total	3,614,157,302	47,969,579,929	(11,704,158,041)	(28,219,982,075)	11,659,597,115

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	29,689,405,471	33,384,336,063
Interest expense	99,830,116	243,417,511
Others	1,614,258,632	710,000,000
Total	<u>31,403,494,219</u>	<u>34,337,753,574</u>

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

	2022 VND	2021 VND
Third parties	13,500,148,577	13,823,612,748
<i>Payables to construction teams</i>	8,983,558,946	9,771,962,586
<i>Unemployment allowances</i>	2,229,631,649	-
<i>Social, health and unemployment insurance and trade union fees</i>	851,759,193	942,916,932
<i>Dividends payable (Note 25)</i>	596,400,800	596,400,800
<i>Others</i>	838,797,989	2,512,332,430
Related parties (Note 36(b))	3,355,033,367	180,545,157
Total	<u>16,855,181,944</u>	<u>14,004,157,905</u>

(b) Long-term

Other long-term payables represent the allowances for unemployment benefits for employees of the Branch as at 31 December 2021.

19 SHORT-TERM BORROWINGS

	As at 1.1.2022 VND Carrying value (Able-to-pay amount)	Increase VND	Decrease VND	As at 31.12.2022 VND Carrying value (Able-to-pay amount)
Bank loans (i)	309,509,387,946	65,104,189,651	(253,737,048,797)	120,876,528,800
Borrowings from related parties (Note 36(b)) (ii)	5,060,000,000	79,085,858,320	(51,496,977,887)	32,648,880,433
Total	<u>314,569,387,946</u>	<u>144,190,047,971</u>	<u>(305,234,026,684)</u>	<u>153,525,409,233</u>

19 SHORT-TERM BORROWINGS (continued)

(i) Details of short-term borrowings are as follows:

	2022 VND	2021 VND
Bank for Investment and Development of Vietnam (*)	109,931,006,595	184,518,548,687
Vietnam Maritime Commercial Joint Stock Bank (**)	8,945,522,205	1,546,610,394
Military Commercial Joint Stock Bank (**)	2,000,000,000	29,259,530,818
Joint Stock Commercial Bank for Foreign Trade of Vietnam (**)	-	94,184,698,047
Total	<u>120,876,528,800</u>	<u>309,509,387,946</u>

(*) These loans are secured by the investment held to maturity (Note 4(a)) and the interest rate changes for each disbursement. The purpose of the loans is to supplement the working capital. As at 31 December 2022, these loans are due within the next 12 months.

(**) These loans are unsecured and the interest rate changes with each disbursement. The purpose of the loans is to supplement the working capital. As at 31 December 2022, these loans are due within the next 12 months.

(ii) These loans are unsecured and the interest rate are agreed among parties. The purpose of the loans is to supplement the working capital.

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

	2022 VND	2021 VND
Beginning of year	606,161,130	742,134,517
Provision	24,000,000	84,180,022
Utilisation and reversal	(149,330,782)	(220,153,409)
End of year	<u>480,830,348</u>	<u>606,161,130</u>

Provision for short-term liabilities represents warranty for construction projects that have been completed and handed over at the separate balance sheet date.

(b) Long-term

Provision for long-term liabilities represents the provision for severance allowance as at 31 December 2022 and at 31 December 2021.

21 BONUS AND WELFARE FUND

	2022 VND	2021 VND
Beginning of year	11,194,411,261	13,205,012,295
Increase during the year (Note 24)	1,754,130,533	5,085,104,404
Utilisation during the year	(7,500,901,084)	(7,095,705,438)
End of year	<u>5,447,640,710</u>	<u>11,194,411,261</u>

22 DEFERRED INCOME TAX ASSETS

	2022 VND	2021 VND
Deferred tax assets to be recovered after more than 12 months	1,737,628,500	2,099,095,087
Deferred tax assets to be recovered within 12 months	728,824,918	1,008,378,469
Total	<u>2,466,453,418</u>	<u>3,107,473,556</u>

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

	2022 VND	2021 VND
Beginning of year	3,107,473,556	2,464,192,450
Income statement (charge)/credit (Note 33)	(641,020,138)	643,281,106
End of year	<u>2,466,453,418</u>	<u>3,107,473,556</u>

Details of deferred tax assets are as follows:

	2022 VND	2021 VND
Deductible temporary differences in relation to accrued expenses and long-term provisions	896,197,741	1,537,217,879
Interest expenses excess of 30% EBITDA	1,570,255,677	1,570,255,677
Total	<u>2,466,453,418</u>	<u>3,107,473,556</u>

The Company uses tax rate of 20% in the year for determining deferred tax assets (2021: 20%).

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23 OWNERS' CAPITAL

(a) Number of shares

	2022	2021
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 Co., Ltd	8,909,456	25.05	8,909,456	25.05
Sanyo Engineering & Construction Vietnam Co., Ltd.	7,150,000	20.10	7,150,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.85	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 dividends 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	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	(29,238,407,099)	5,427,578,589	84,521,733,267	385,948,893,816
Net profit for the year	-	-	-	-	17,541,305,333	17,541,305,333
Appropriation to bonus and welfare funds	-	-	-	-	(5,085,104,404)	(5,085,104,404)
Dividends declared (Note 25)	30,713,830,000	-	-	-	(30,713,830,000)	-
As at 31 December 2021	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	66,264,104,196	398,405,094,745
Net loss for the year	-	-	-	-	(21,212,078,515)	(21,212,078,515)
Appropriation to bonus and welfare funds (Note 21) (*)	-	-	-	-	(1,754,130,533)	(1,754,130,533)
As at 31 December 2022	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	43,297,895,148	375,438,885,697

(*) The Shareholders of the Company approved the appropriation of profit to bonus and welfare funds in accordance with the resolution of the Shareholder's General Meeting No. 02/NQ/SRF/DHĐCĐ/22 dated 14 April 2022.

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25 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 payables</i>	-	30,713,830,000
Dividends paid during the year	-	(30,713,830,000)
<i>Dividend paid by issuing shares (Note 24)</i>	-	(30,713,830,000)
End of year (Note 18(a))	596,400,800	596,400,800

26 OFF BALANCE SHEET ITEMS

	2022	2021
Foreign currencies		
United States Dollar (USD)	6,273.94	1,314.99
Great British Pound (GBP)	-	7.16
Australian Dollar (AUD)	-	0.67

27 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Net revenue from construction contracts	24,220,300,339	201,683,844,681
Net revenue from management service	8,355,355,402	8,742,915,195
Net revenue from sales of goods	2,497,242,894	2,838,292,211
Total	35,072,898,635	213,265,052,087

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of construction contracts	102,976,854,553	192,435,874,322
Cost of goods sold	3,555,241,834	3,896,291,154
Reversal of decline in value of inventories	-	(19,157,043)
Total	106,532,096,387	196,313,008,433

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29 FINANCIAL INCOME

	2022 VND	2021 VND
Income from divestment from an associate	195,592,320,000	-
Interest income from deposits	9,898,927,624	6,482,772,612
Interest income from bonds	3,761,238,549	-
Realised foreign exchange gains	1,074,738,246	73,078,789
Profit received from the subsidiary (Note 36(a))	1,008,000,000	8,568,000,000
Interest income from lendings to related parties (Note 36(a))	695,179,002	2,373,597,017
Net gain from foreign currency translation at year-end	-	2,890,032,809
Dividends	-	10,291,050,000
Total	<u>212,030,403,421</u>	<u>30,678,531,227</u>

30 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	14,839,343,141	20,835,503,660
Expenses for divestment of associate	7,657,899,612	-
Net loss from foreign currency translation at year-end	380,170,560	-
Realised foreign exchange losses	-	12,212,263
Total	<u>22,877,413,313</u>	<u>20,847,715,923</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Provision/(reversal of provision) for doubtful debts (Note 8)	77,015,388,049	(8,901,481,935)
Staff costs	33,440,432,383	14,361,938,613
Outside service expenses	7,848,865,413	7,565,436,614
Depreciation and amortisation	575,003,709	649,148,237
Others	6,984,252,205	318,458,522
Total	<u>125,863,941,759</u>	<u>13,993,500,051</u>

32 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	5,050,000	771,404,958
Others	1,603,323,307	1,575,735,701
Total	2,713,805,810	7,316,099,872
Other expenses		
Fines	1,289,948,178	32,769,691
Others	1,067,106,940	1,447,195,371
Total	2,357,055,118	1,479,965,062
Net other income	356,750,692	5,836,134,810

33 CORPORATE INCOME TAX (“CIT”)

The CIT on the Company’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	(7,813,398,711)	18,625,493,717
Tax calculated at a rate of 20%	(1,562,679,742)	3,725,098,743
Effect of:		
Income not subject to tax	(201,600,000)	(3,771,810,000)
Expenses not deductible for tax purposes	847,958,498	586,905,178
Tax losses for which no deferred income tax asset was recognised	13,351,350,783	683,558,815
Tax deduction	-	(571,930,153)
Under-provision for previous years	963,650,265	432,365,801
CIT charge (*)	13,398,679,804	1,084,188,384
Charged/(credited) to income statement:		
CIT – current	12,757,659,666	1,727,469,490
CIT – deferred (Note 22)	641,020,138	(643,281,106)
CIT charge (*)	13,398,679,804	1,084,188,384

(*) 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.

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

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:

Year of tax loss	Status of tax authorities’ review	Loss incurred VND	Loss forfeited VND	Loss carried forward VND
2021	Outstanding	3,417,794,075	3,417,794,075	-
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 is to close in the near future.

34 SEGMENT REPORTING***Business segment***

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

	Year ended 31 December 2022			
	Constructions VND	Sales of goods VND	Management services VND	Total VND
Net sales	24,220,300,339	2,497,242,894	8,355,355,402	35,072,898,635
Cost of sales	102,976,854,553	3,555,241,834	-	106,532,096,387
Gross profit/(loss)	(78,756,554,214)	(1,057,998,940)	8,355,355,402	(71,459,197,752)

	Year ended 31 December 2021			
	Constructions VND	Sales of goods VND	Management services VND	Total VND
Net sales	201,683,844,681	2,838,292,211	8,742,915,195	213,265,052,087
Cost of sales	192,435,874,322	3,877,134,111	-	196,313,008,433
Gross profit	9,247,970,359	(1,038,841,900)	8,742,915,195	16,952,043,654

Geographical segment

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

35 ADDITIONAL INFORMATION FOR THE ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS

Non-cash transactions affect the statement of cash flows:

	Year ended 31 December	
	2022 VND	2021 VND
Offset the short-term borrowings against short-term lendings to related parties	1,000,000,000	-
Offset the short-term borrowings against short-term receivables from related parties	3,997,157,774	-
Offset the divestment in subsidiary against short-term lendings to related parties	-	11,199,755,048
Offset the divestment in subsidiary against short-term receivables from related parties	-	21,300,244,952
Dividends paid by shares	-	30,713,830,000

36 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>i) Sales of goods and services</i>				
Searefico E&C	Subsidiary	Management service	4,706,544,411	1,692,809,122
		Sale of goods	74,900,000	-
Arico	Subsidiary	Management service	2,672,616,808	4,962,814,164
Searee	Subsidiary	Management service	976,194,183	2,087,291,909
		Construction services	-	740,250,443
		Total	8,430,255,402	9,483,165,638

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
<i>ii) Purchases of goods and services</i>				
Searefico E&C	Subsidiary	Construction services	72,110,309,032	72,855,376,288
		Other services	34,931,257	-
Searee	Subsidiary	Construction services	10,098,717,574	8,672,175,939
Greenpan	Subsidiary	Purchases of goods	-	26,618,577
Arico	Subsidiary	Purchases of goods	-	2,040,000
		Total	82,243,957,863	81,556,210,804
<i>iii) The salary and remuneration of key management</i>				
Remuneration of the Board of Directors			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 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	7,799,614,877	4,903,689,458

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
<i>iv) Other transactions</i>				
Arico	Subsidiary	Lendings	22,000,000,000	-
		Interest income	180,076,713	-
		Borrowing	7,000,000,000	65,300,000,000
		Borrowing repayments	7,500,000,000	65,300,000,000
		Interest expenses	91,972,603	513,883,693
		Profit received	1,008,000,000	8,568,000,000
		Capital contribution	-	16,800,000,000
Searee	Subsidiary	Lendings	4,038,000,000	1,450,000,000
		Lendings collection	4,188,000,000	1,300,000,000
		Borrowing	11,607,500,000	404,000,000
		Borrowing repayments	1,987,000,000	16,887,321,856
		Interest expenses	63,881,893	412,636,548
		Capital contribution	-	200,000,000
		Capital withdrawn	-	36,850,000,000
Searefico E&C	Subsidiary	Lendings	19,500,000,000	1,000,000,000
		Lendings collection	11,400,000,000	-
		Interest income	412,829,562	2,373,597,017
		Borrowing	60,478,358,320	-
		Borrowing repayments	37,449,977,887	-
		Interest expenses	2,427,334,133	-
		Payment on behalf	5,373,053,928	-
		Sales of prepaid expenses	-	688,875,000
		Capital contribution	-	79,670,000,000
		Transfer shares of Searee	-	36,850,000,000
Greenpan	Subsidiary	Lendings	10,000,000,000	-
		Borrowing	-	4,560,000,000
		Borrowing repayments	4,560,000,000	-
		Interest expenses	1,399,233	1,399,233
Phoenix	Subsidiary	Interest penalty for late payment	597,809,379	903,566,015
Seareal	Subsidiary	Interest income	102,272,727	-

36 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
Short-term trade accounts receivable (Note 5)				
Phoenix	Subsidiary	Construction services	10,041,509,390	9,443,700,011
Arico	Subsidiary	Construction services	3,919,480,762	2,020,205,012
Searefico E&C	Subsidiary	Construction services	82,390,000	1,021,794,967
Searee	Subsidiary	Construction services	-	2,893,370,153
Greenpan	Subsidiary	Construction services	-	248,658,795
		Total	14,043,380,152	15,627,728,938

Short-term prepayments to suppliers (Note 6)

Searee	Subsidiary	Construction services	701,630,100	-
Greenpan	Subsidiary	Construction services	-	2,679,957,113
		Total	701,630,100	2,679,957,113

Short-term lendings

Arico	Subsidiary	Lending	22,000,000,000	-
Greenpan	Subsidiary	Lending	10,000,000,000	-
Searefico E&C	Subsidiary	Lending	9,100,000,000	1,000,000,000
Searee	Subsidiary	Lending	-	150,000,000
		Total	41,100,000,000	1,150,000,000

Other short-term receivables (Note 7(a))

Seareal	Subsidiary	Other services	18,413,527	20,039,763,000
Arico	Subsidiary	Dividend received	1,008,000,000	6,048,000,000
		Other services	92,157,513	53,003,077
Searefico E&C	Subsidiary	Other services	9,498,702,352	8,249,168,612
Searee	Subsidiary	Dividend received	-	1,694,166,667
		Other services	406,383,446	225,855,475
Inwatek	Related party	Interest income	658,643,288	658,643,288
Phoenix	Subsidiary	Other services	246,172,885	239,059,085
Greenpan	Subsidiary	Other services	25,920,000	195,777,411
Members of the Board of Directors, Board of Management		Others	2,508,347,846	3,329,733,844
		Total	14,462,740,857	40,733,170,459

Long-term prepayments to suppliers

Greenpan	Subsidiary	Construction services	-	3,000,000,000
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36 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

Related party	Relationship	Nature of transaction	2022 VND	2021 VND
Short-term trade accounts payable (Note 13)				
Searee	Subsidiary	Construction services	27,251,992,895	62,640,468,020
Searefico E&C	Subsidiary	Construction services	80,936,492,255	38,823,787,273
HCC	Associate	Construction services	-	5,019,707,215
		Total	<u>108,188,485,150</u>	<u>106,483,962,508</u>
Short-term advances from customers (Note 14)				
Searefico E&C	Subsidiary	Construction services	<u>5,269,000,000</u>	<u>9,269,000,000</u>
Other short-term payables (Note 18(a))				
Searefico E&C	Subsidiary	Payment on behalf	2,465,059,891	5,673,510
Arico	Subsidiary	Interest expenses	562,842,226	163,472,414
Greenpan	Subsidiary	Interest expenses	-	1,399,233
Members of the Board of Management		Others	327,131,250	10,000,000
		Total	<u>3,355,033,367</u>	<u>180,545,157</u>
Short-term borrowings (Note 19)				
Searefico E&C	Subsidiary	Borrowing	23,028,380,433	-
Greenpan	Subsidiary	Borrowing	-	4,560,000,000
Searee	Subsidiary	Borrowing	9,620,500,000	-
Arico	Subsidiary	Borrowing	-	500,000,000
		Total	<u>32,648,880,433</u>	<u>5,060,000,000</u>

37 COSTS OF OPERATION BY FACTOR

	2022 VND	2021 VND
Outside service expenses	108,901,342,576	73,784,060,068
Provision/(reversal of provision) for doubtful debts (Note 8)	77,015,388,049	(8,901,481,935)
Staff costs	33,440,432,383	14,518,500,025
Raw materials	1,079,661,216	135,508,338,038
Depreciation and amortisation expenses	575,003,709	680,534,309
Tools and equipment	345,793,986	357,612,273
Others	5,623,291,411	1,393,526,694
	<u>226,980,913,330</u>	<u>217,341,089,472</u>

38 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	373,650,000	3,362,850,000
Between one and five years	-	373,650,000
Total minimum payments	<u>373,650,000</u>	<u>3,736,500,000</u>

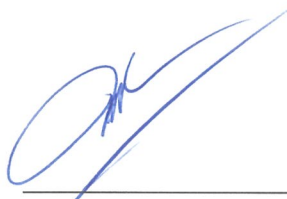
(b) Other commitments

As at 31 December 2022 and 31 December 2021, the Company is committed by the Bank for Investment and Development of Vietnam and the Vietnam Maritime Commercial Joint Stock Bank to perform the guarantees with the total amount of VND239,944,277,805 and VND34,620,154,750 respectively for advance guarantee, bid guarantee, contract performance guarantee, contract quality assurance guarantee and warranty guarantee.

The separate 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

