

SEAREFICO CORPORATION

SEPARATE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

**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 (to 31 March 2023)
Mr. Yoshihiko Shiotsugu	Member (from 31 March 2023)
Mr. Le Quang Phuc	Member
Mr. Pham Kyle Anh Tuan	Member

#### 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 (to 31 March 2023)

#### 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
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## SEAREFICO CORPORATION

### CORPORATE INFORMATION (continued)

#### Board of Management

Mr. Vu Xuan Thuc  
Mr. Tran Dinh Muoi  
Dinh Ngoc Trien

Chief Executive Officer  
Deputy General Director  
Chief Accountant

#### Legal representatives

Mr. Le Tan Phuoc  
Mr. Vu Xuan Thuc

Chairman of Board of Directors  
Chief Executive Officer

#### Registered office

14<sup>th</sup> Floor, Centec Tower, 72-74 Nguyen Thi Minh Khai Street,  
Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam

## **SEAREFICO CORPORATION**

### **STATEMENT OF THE BOARD OF MANAGEMENT**

#### **Statement of responsibility of the Board of Management of the Company in respect of the 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 March 2023, 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 4 to 43 which give a true and fair view of the separate financial position of the Company as at 31 March 2023, 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 March 2023 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  
27 April 2023

## SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			31.03.2023 VND	31.12.2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>536,827,316,824</b>	<b>537,961,787,686</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>60,442,271,274</b>	<b>102,022,909,817</b>
111	Cash		442,271,274	839,234,784
112	Cash equivalents		60,000,000,000	101,183,675,033
<b>120</b>	<b>Short-term investments</b>		<b>110,000,000,000</b>	<b>110,000,000,000</b>
123	Investments held to maturity	4(a)	110,000,000,000	110,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>326,495,282,769</b>	<b>287,232,677,888</b>
131	Short-term trade accounts receivable	5	291,842,427,984	306,705,071,413
132	Short-term prepayments to suppliers	6	15,051,880,038	14,382,858,944
135	Short-term lendings	34(b)	87,400,000,000	41,100,000,000
136	Other short-term receivables	7(a)	28,590,208,568	21,433,981,352
137	Provision for doubtful debts - short-term	8	(96,389,233,821)	(96,389,233,821)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>30,931,409,017</b>	<b>29,981,794,281</b>
141	Inventories		30,931,409,017	29,981,794,281
<b>150</b>	<b>Other current assets</b>		<b>8,958,353,764</b>	<b>8,724,405,700</b>
151	Short-term prepaid expenses	10(a)	1,073,424,784	1,013,480,550
152	Value added tax ("VAT") to be reclaimed	15(a)	7,884,928,980	7,700,434,146
153	Tax and other receivables from the State	15(a)	-	10,491,004

The notes on pages 9 to 43 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at	
			31.03.2023 VND	31.12.2022 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>343,636,915,596</b>	<b>343,691,342,534</b>
<b>210</b>	<b>Long-term receivables</b>		<b>1,373,260,000</b>	<b>1,373,260,000</b>
212	Long-term prepayments to suppliers		-	-
216	Other long-term receivables	7(b)	1,373,260,000	1,373,260,000
<b>220</b>	<b>Fixed assets</b>		<b>1,139,494,050</b>	<b>1,224,920,988</b>
221	Tangible fixed assets	11(a)	1,069,115,440	1,147,731,544
222	Historical cost		8,527,951,389	8,434,951,389
223	Accumulated depreciation		(7,458,835,949)	(7,287,219,845)
227	Intangible fixed assets	11(b)	70,378,610	77,189,444
228	Historical cost		2,093,356,260	2,093,356,260
229	Accumulated amortisation		(2,022,977,650)	(2,016,166,816)
<b>240</b>	<b>Long-term assets in progress</b>		<b>26,846,802,012</b>	<b>26,815,802,012</b>
242	Construction in progress	12	26,846,802,012	26,815,802,012
<b>250</b>	<b>Long-term investments</b>		<b>311,810,906,116</b>	<b>311,810,906,116</b>
251	Investments in subsidiaries	4(b)	308,354,188,754	308,354,188,754
253	Investments in other entities	4(b)	3,456,717,362	3,456,717,362
<b>260</b>	<b>Other long-term assets</b>		<b>2,466,453,418</b>	<b>2,466,453,418</b>
262	Deferred income tax assets	22	2,466,453,418	2,466,453,418
<b>270</b>	<b>TOTAL ASSETS</b>		<b>880,464,232,420</b>	<b>881,653,130,220</b>

The notes on pages 9 to 43 are an integral part of these separate financial statements.



SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			31.03.2023 VND	31.12.2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>504,764,138,646</b>	<b>506,214,244,523</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>502,651,726,896</b>	<b>504,101,832,773</b>
311	Short-term trade accounts payable	13	238,742,466,912	236,101,933,055
312	Short-term advances from customers	14	37,592,715,667	47,506,984,335
313	Tax and other payables to the State	15(b)	11,687,691,145	11,659,597,115
314	Payables to employees	16	1,138,041,719	1,120,761,814
315	Short-term accrued expenses	17	24,479,411,134	31,403,494,219
319	Other short-term payables	18	15,863,168,182	16,855,181,944
320	Short-term borrowings	19	167,235,711,897	153,525,409,233
321	Provision for short-term liabilities	20(a)	464,879,530	480,830,348
322	Bonus and welfare funds	21	5,447,640,710	5,447,640,710
<b>330</b>	<b>Long-term liabilities</b>		<b>2,112,411,750</b>	<b>2,112,411,750</b>
342	Provision for long-term liabilities	20(b)	2,112,411,750	2,112,411,750
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>375,700,093,774</b>	<b>375,438,885,697</b>
<b>410</b>	<b>Capital and reserves</b>		<b>375,700,093,774</b>	<b>375,438,885,697</b>
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	43,559,103,225	43,297,895,148
421a	- Undistributed post-tax profits of previous years		43,297,895,148	64,509,973,663
421b	- (Post-tax loss)/post-tax profit of current period/year		261,208,077	(21,212,078,515)
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>880,464,232,420</b>	<b>881,653,130,220</b>



Nguyen Thanh Tam  
Preparer



Dinh Ngoc Trien  
Chief Accountant




Vu Xuan Thuc  
Chief Executive Officer  
27 April 2023

The notes on pages 9 to 43 are an integral part of these separate financial statements.



## SEAREFICO CORPORATION

Form B 02 – D

## SEPARATE INCOME STATEMENT

Code		Note	For the three-month period ended 31 March		Accumulated three-month period ended 31 March	
			2023	2022	2023	2022
			VND	VND	VND	VND
01	Revenue from sales of goods and rendering of services		12,258,226,289	5,420,257,169	12,258,226,289	5,420,257,169
10	Net revenue from sales of goods and rendering of services	26	12,258,226,289	5,420,257,169	12,258,226,289	5,420,257,169
11	Cost of goods sold and services rendered	27	(8,397,160,810)	(4,425,459,422)	(8,397,160,810)	(4,425,459,422)
20	Gross (loss)/profit from sales of goods and rendering of services		3,861,065,479	994,797,747	3,861,065,479	994,797,747
21	Financial income	28	4,622,595,563	198,172,844,090	4,622,595,563	198,172,844,090
22	Financial expenses	29	(2,922,979,486)	(12,853,569,401)	(2,922,979,486)	(12,853,569,401)
23	- Including: Interest expense	29	(2,922,926,609)	(4,593,902,467)	(2,922,926,609)	(4,593,902,467)
26	General and administration expenses	30	(5,308,612,989)	(46,926,519,965)	(5,308,612,989)	(46,926,519,965)
30	Net operating (loss)/profit		252,068,567	139,387,552,471	252,068,567	139,387,552,471
31	Other income	31	149,042,886	526,462,347	149,042,886	526,462,347
32	Other expenses	31	(47,194,574)	(465,519,776)	(47,194,574)	(465,519,776)
40	Net other income		101,848,312	60,942,571	101,848,312	60,942,571
50	Net accounting (loss)/profit before tax		353,916,879	139,448,495,042	353,916,879	139,448,495,042
51	Corporate income tax ("CIT") - current	32	(92,708,802)	(27,949,396,844)	(92,708,802)	(27,949,396,844)
52	CIT - deferred	32	-	(24,738,000)	-	(24,738,000)
60	Net (loss)/profit after tax		261,208,077	111,474,360,198	261,208,077	111,474,360,198

  
 \_\_\_\_\_  
 Nguyen Thanh Tam  
 Preparer

  
 \_\_\_\_\_  
 Dinh Ngoc Trien  
 Chief Accountant

  
 \_\_\_\_\_  
 Vu Xuan Thuc  
 Chief Executive Officer  
 27 April 2023

The notes on pages 9 to 43 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT  
(Indirect method)

		For the three-month period ended 31 March		
Code	Note	2023 VND	2022 VND	
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net accounting (loss)/profit before tax	353,916,879	139,448,495,042	
	Adjustments for:			
02	Depreciation and amortisation	11	178,426,938	133,774,316
03	Provisions/(reversal of provisions)	-	25,188,035,009	
04	Unrealised foreign exchange losses/(gains)	-	601,767,322	
05	Profits from investing activities	(4,622,595,563)	(189,460,085,349)	
06	Interest expense	29	2,922,926,609	4,593,902,467
08	Operating loss before changes in working capital	(1,167,325,137)	(19,494,111,193)	
09	Increase, decrease in receivables	16,526,250,669	29,802,242,361	
10	Increase, decrease in inventories	(949,614,736)	(3,527,944,644)	
11	Increase, decrease in payables	(15,277,117,510)	(10,742,210,323)	
12	Increase, decrease in prepaid expenses	(59,944,234)	(32,320,219)	
14	Interest paid	(2,882,975,624)	(4,117,634,683)	
15	CIT paid	15(b)	-	(1,438,793,675)
17	Other payments on operating activities	-	(6,179,260,273)	
20	Net cash inflows from operating activities	(3,810,726,572)	(15,730,032,649)	
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets and other long-term assets	(124,000,000)	-	
22	Proceeds from disposals of fixed assets	-	-	
23	Loan granted, term deposits at banks and purchases of bonds of other entities	(52,200,000,000)	(184,593,916,709)	
24	Collection of loans, term deposits at banks and proceeds from sales of bonds of other entities	-	-	
25	Investments in other entities	-	-	
26	Proceeds from divestment in associate and other entities	-	51,392,880,000	
27	Dividends and interest received	843,785,365	194,097,674,390	
30	Net cash inflows/(outflows) from investing activities	(51,480,214,635)	60,896,637,681	
CASH FLOWS FROM FINANCING ACTIVITIES				
33	Proceeds from borrowings	19	20,497,922,974	57,588,610,094
34	Repayments of borrowings	(6,787,620,310)	(62,733,603,339)	
40	Net cash outflows from financing activities	13,710,302,664	(5,144,993,245)	
50	Net increase/(decrease) in cash	(41,580,638,543)	40,021,611,787	
60	Cash and cash equivalents at beginning of period	3	102,022,909,817	18,248,461,423
61	Effect of foreign exchange differences	-	-	
70	Cash and cash equivalents at end of period	3	60,442,271,274	58,270,073,210

Additional information relating to the separate cash flow statement is presented in Note 05.

Nguyen Thanh Tam  
Preparer

Dinh Ngoc Trien  
Chief Accountant



Minh Xuan Thuc  
Chief Executive Officer  
27 April 2023

The notes on pages 9 to 43 are an integral part of these separate financial statements.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023****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.

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 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 March 2023, the Company had 25 employees (as at 31 December 2022: 25 employees).

**1 GENERAL INFORMATION (continued)**

As at 31 March 2023 and 31 December 2022, the Company had subsidiaries and associates as follows:

	Principal activities	Place of incorporation and operation	31.03.2023		31.12.2022	
			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

## **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 March 2023 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;
- Provision for doubtful debts;
- Accrued expenses and provisions.

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**

	31.03.2023 VND	31.12.2022 VND
Cash on hand	-	-
Cash in bank	442.271.274	839.234.784
Cash equivalents (*)	60.000.000.000	101.183.675.033
Total	<u>60.442.271.274</u>	<u>102.022.909.817</u>

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

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

	31.03.2023		31.12.2022	
	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 March 2023 and 31 December 2022 are VND110billion at Bank for Investment and Development of Vietnam was pledged as security for the overdraft agreement granted from this bank.

## 4 INVESTMENTS (continued)

## (b) Long-term investments in subsidiaries, associates and other entities

	31.03.2023		31.12.2022	
	Cost VND	% of ownership	Cost VND	% of ownership
<b>(i) Investments in subsidiaries</b>				
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
<b>Total</b>	<b>308,354,188,754</b>		<b>308,354,188,754</b>	
<b>(ii) Investments in other entities</b>				
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	1,556,717,362	1.73
<b>Total</b>	<b>3,456,717,362</b>		<b>3,456,717,362</b>	

For the investments in Searefico E&C, Seareal, Arico, Inwatek and Formtek, as at 31 March 2023 and 31 December 2022, the Company has not determined the fair value of these investments for disclose in the separate financial statements because they do not have listed prices.



## 5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.03.2023 VND	31.12.2022 VND
Third parties	277,799,047,833	292,661,691,261
<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	34,590,755,524
<i>Saigon Binh Chau Corporation</i>	21,888,743,960	21,888,743,960
<i>Hai Dang Real Estate Investment Joint Stock Company</i>	276,755,565	4,179,948,608
<i>Others</i>	136,682,083,525	147,641,533,910
Related parties (Note 34(b))	14,043,380,152	14,043,380,152
Total	291,842,427,984	306,705,071,413

As at 31 March 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due, presented in Note 8.

## 6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.03.2023 VND	31.12.2022 VND
Third parties	14,350,249,938	13,681,228,844
<i>CDH Ha Noi Construction Installation &amp; Consultancy Joint Stock Company</i>	3,216,923,076	3,116,039,148
<i>Gia Hung Construction and Import Export Company Limited</i>	2,343,178,838	2,343,178,838
<i>Others</i>	8,790,148,024	8,222,010,858
Related parties (Note 34(b))	701,630,100	701,630,100
Total	15,051,880,038	14,382,858,944

## 7 OTHER RECEIVABLES

## (a) Short-term

	31.03.2023 VND	31.12.2022 VND
Third parties	9,163,015,436	6,971,240,495
Interest income receivable from banks	6,665,536,224	2,886,726,026
Other receivables from employees	3,108,340,880	2,787,990,146
Deposits	779,773,376	820,723,376
Others	326,805,290	475,800,947
Related parties (Note 34(b))	19,427,193,132	14,462,740,857
Total	28,590,208,568	21,433,981,352

## (b) Long-term

The balance represents long-term deposits and guarantees.

As at 31 March 2023 and 31 December 2022, the Company was no balance of other receivables that was past due or not past due but doubtful.

## 8 DOUBTFUL DEBTS

	31.03.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	122,720,663,735	(96,389,233,821)	122,720,663,735	(96,389,233,821)
Industrial Construction	84,360,709,259	(84,360,709,259)	84,360,709,259	(84,360,709,259)
Join Stock Company				
Others	38,359,954,476	(12,028,524,562)	38,359,954,476	(12,028,524,562)

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

	Three-month period ended 31.03.2023 VND	Year ended 31.12.2022 VND
Beginning of year	96,389,233,821	19,373,845,772
Provision/(reversal of provision)	-	77,015,388,049
Write-off	-	-
End of year	96,389,233,821	96,389,233,821

## 9 INVENTORIES

	31.03.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress	30,931,409,017	-	29,981,794,281	-
Total	<u>30,931,409,017</u>	<u>-</u>	<u>29,981,794,281</u>	<u>-</u>

## 10 PREPAID EXPENSES

	31.03.2023 VND	31.12.2022 VND
Insurance expenses	138,598,427	251,663,171
Others	934,826,357	761,817,379
Total	<u>1,073,424,784</u>	<u>1,013,480,550</u>

Movements in prepaid expenses during the year are as follows:

	Three-month period ended 31.03.2023 VND	Year ended 31.12.2022 VND
Beginning of year	1,013,480,550	877,263,088
Increase	169,089,400	6,714,621,883
Allocation	(109,145,166)	(6,578,404,421)
Others	-	-
End of year	<u>1,073,424,784</u>	<u>1,013,480,550</u>



## 11 FIXED ASSETS

## (a) Tangible fixed assets

	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>				
As at 1 January 2023	905,563,170	4,152,992,727	3,376,395,492	8,434,951,389
New purchases	-	-	93,000,000	93,000,000
As at 31 March 2023	905,563,170	4,152,992,727	3,469,395,492	8,527,951,389
<b>Accumulated depreciation</b>				
As at 1 January 2023	893,814,290	3,686,784,025	2,706,621,530	7,287,219,845
Charge for the year	4,632,231	83,239,818	83,744,055	171,616,104
As at 31 March 2023	893,814,290	3,770,023,843	2,790,365,585	7,458,835,949
<b>Net book value</b>				
As at 1 January 2023	11,748,880	466,208,702	669,773,962	1,147,731,544
As at 31 March 2023	7,116,649	382,968,884	679,029,907	1,069,115,440

## 11 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Software VND	Total VND
<b>Historical cost</b>		
As at 1 January 2023	2,093,356,260	2,093,356,260
New purchases	-	-
As at 31 March 2023	2,093,356,260	2,093,356,260
<b>Accumulated amortisation</b>		
As at 1 January 2023	2,016,166,816	2,016,166,816
Charge for the year	6,810,834	6,810,834
As at 31 March 2023	2,022,977,650	2,022,977,650
<b>Net book value</b>		
As at 1 January 2023	77,189,444	77,189,444
As at 31 March 2023	70,378,610	70,378,610

## 12 CONSTRUCTION IN PROGRESS

	31.03.2023 VND	31.12.2022 VND
Phu Quoc Office	13,704,464,512	13,704,464,512
Da Nang Apartment Building	13,065,337,500	13,065,337,500
Others	77,000,000	46,000,000
Total	26,846,802,012	26,815,802,012



**12 CONSTRUCTION IN PROGRESS (continued)**

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

	Three-month period ended 31.03.2023 VND	Year ended 31.12.2022 VND
Beginning of year	26,815,802,012	29,803,503,417
Purchases	31,000,000	46,000,000
Transfers to fixed assets	-	(2,504,971,405)
Write-offs	-	(528,730,000)
End of year	26,846,802,012	26,815,802,012

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	31.03.2023		31.12.2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	134,031,426,973	134,031,426,973	127,913,447,905	127,913,447,905
<i>Company Building     and Construction</i>				
<i>Electrical The Minh</i>	12,171,301,628	12,171,301,628	13,378,303,958	13,378,303,958
<i>System Logistic Spa</i>	13,577,385,035	13,577,385,035	4,560,223,035	4,560,223,035
<i>Others</i>	108,282,740,310	108,282,740,310	109,974,920,912	109,974,920,912
Related parties (Note 34(b))	104,738,039,939	104,738,039,939	108,188,485,150	108,188,485,150
Total	238,769,466,912	238,769,466,912	236,101,933,055	236,101,933,055

As at 31 March 2023 and 31 December 2022, 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**

	31.03.2023 VND	31.12.2022 VND
Third parties	35,723,715,667	42,237,984,335
<i>Kien A Khanh Hoa Investment Joint Stock     Company</i>	18,967,583,007	18,967,583,007
<i>TTCL Vietnam Corporation Limited</i>	5,517,666,000	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>	1,613,337,284	4,541,919,107
<i>Others</i>	4,866,175,726	8,451,862,571
Related parties (Note 34(b))	1,869,000,000	5,269,000,000
Total	37,592,715,667	47,506,984,335



**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 1.1.2023 VND	Receivable/payable during the year VND	Payment during the year VND	As at 31.03.2023 VND
<b>(a) Tax receivables</b>				
VAT input deductible	7,700,434,146	706,497,370	(522,002,536)	7,884,928,980
Import tax	10,491,004	-	(10,491,004)	-
Total	<u>7,710,925,150</u>	<u>706,497,370</u>	<u>(532,493,540)</u>	<u>7,884,928,980</u>
<b>(b) Tax payables</b>				
CIT	11,571,758,114	92,708,802	-	11,664,466,916
Personal income tax	68,502,126	557,299,439	(602,577,336)	23,224,229
VAT on domestic sales	19,336,875	542,600,467	(561,937,342)	-
VAT on importation	-	17,651,267	(17,651,267)	-
Import tax	-	18,284,078	(18,284,078)	-
Foreign contractor tax	-	-	-	-
Business license tax	-	4,000,000	(4,000,000)	-
Total	<u>11,659,597,115</u>	<u>1,232,544,053</u>	<u>(1,204,450,023)</u>	<u>11,687,691,145</u>

**16 PAYABLES TO EMPLOYEES**

Payables to employees represent the amount payable to employees in relation to the remuneration as at 31 March 2023 and at 31 December 2022.

**17 SHORT-TERM ACCRUED EXPENSES**

	<b>31.03.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Accrued project costs	23,796,384,380	29,689,405,471
Interest expense	139,781,101	99,830,116
Others	543,245,653	1,614,258,632
<b>Total</b>	<b>24,479,411,134</b>	<b>31,403,494,219</b>

**18 OTHER PAYABLES**

	<b>31.03.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties	12,508,134,815	13,500,148,577
<i>Payables to construction teams</i>	<i>6,941,810,144</i>	<i>8,983,558,946</i>
<i>Unemployment allowances</i>	<i>2,084,094,217</i>	<i>2,229,631,649</i>
<i>Social, health and unemployment insurance and trade union fees</i>	<i>987,761,665</i>	<i>851,759,193</i>
<i>Dividends payable</i>	<i>596,400,800</i>	<i>596,400,800</i>
<i>Others</i>	<i>1,898,067,989</i>	<i>838,797,989</i>
Related parties (Note 34(b))	3,385,033,367	3,355,033,367
<b>Total</b>	<b>15,863,168,182</b>	<b>16,855,181,944</b>

**19 SHORT-TERM BORROWINGS**

	<b>As at 1.1.2023</b> <b>VND</b> Carrying value (Able-to-pay amount)	<b>Increase</b> <b>VND</b>	<b>Decrease</b> <b>VND</b>	<b>As at 31.03.2023</b> <b>VND</b> Carrying value (Able-to-pay amount)
Bank loans (i)	120,876,528,800	15,870,922,974	(4,087,620,310)	132,659,831,464
Borrowings from related parties (Note 34(b))	32,648,880,433	4,627,000,000	(2,700,000,000)	34,575,880,433
<b>Total</b>	<b>153,525,409,233</b>	<b>20,497,922,974</b>	<b>(6,787,620,310)</b>	<b>167,235,711,897</b>

**19 SHORT-TERM BORROWINGS (continued)**

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

	<b>31.03.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Bank for Investment and Development of Vietnam	109,931,006,595	109,931,006,595
Vietnam Maritime Commercial Joint Stock Bank	21,409,230,819	8,945,522,205
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,319,594,050	-
Military Commercial Joint Stock Bank	-	2,000,000,000
<b>Total</b>	<b>132,659,831,464</b>	<b>120,876,528,800</b>

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

	<b>Three-month period</b> <b>ended 31.03.2023</b> <b>VND</b>	<b>Year ended</b> <b>31.12.2022</b> <b>VND</b>
Beginning of year	480,830,348	606,161,130
Provision	-	24,000,000
Utilisation and reversal	(15,950,818)	(149,330,782)
<b>End of year</b>	<b>464,879,530</b>	<b>480,830,348</b>

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 March 2023 and at 31 December 2022.



**21 BONUS AND WELFARE FUND**

	<b>Three-month period ended 31.03.2023 VND</b>	<b>Year ended 31.12.2022 VND</b>
Beginning of year	5,447,640,710	11,194,411,261
Increase during the year	-	1,754,130,533
Utilisation during the year	-	(7,500,901,084)
End of year	<u>5,447,640,710</u>	<u>5,447,640,710</u>

**22 DEFERRED INCOME TAX ASSETS**

	<b>31.03.2023 VND</b>	<b>31.12.2022 VND</b>
Deferred tax assets to be recovered after more than 12 months	2,466,453,418	1,737,628,500
Deferred tax assets to be recovered within 12 months	-	728,824,918
Total	<u>2,466,453,418</u>	<u>2,466,453,418</u>

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

	<b>Three-month period ended 31.03.2023 VND</b>	<b>Year ended 31.12.2022 VND</b>
Beginning of year	2,466,453,418	3,107,473,556
Income statement (charge)/credit (Note 33)	-	(641,020,138)
End of year	<u>2,466,453,418</u>	<u>2,466,453,418</u>

Details of deferred tax assets are as follows:

	<b>31.03.2023 VND</b>	<b>31.12.2022 VND</b>
Deductible temporary differences in relation to accrued expenses and long-term provisions	896,197,741	896,197,741
Interest expenses excess of 30% EBITDA	1,570,255,677	1,570,255,677
Total	<u>2,466,453,418</u>	<u>2,466,453,418</u>

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

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

	<b>31.03.2023</b>	<b>31.12.2022</b>
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**

	<b>31.03.2023</b>		<b>31.12.2022</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
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**

	<b>Ordinary shares</b>	
	<b>Shares</b>	<b>VND</b>
As at 1 January 2023	35,566,780	355,667,800,000
New shares issued	-	-
As at 31 March 2023	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.

## 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 2022	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	66,264,104,196	<b>398,405,094,745</b>
Net profit for the year	-	-	-	-	(21,212,078,515)	<b>(21,212,078,515)</b>
Appropriation to bonus and welfare funds	-	-	-	-	(1,754,130,533)	<b>(1,754,130,533)</b>
As at 31 December 2022	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	43,297,895,148	<b>375,438,885,697</b>
Net loss for the year	-	-	-	-	261,208,077	<b>261,208,077</b>
Appropriation to bonus and welfare funds	-	-	-	-	-	-
As at 31 March 2023	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	43,559,103,225	<b>375,700,093,774</b>

(\*) 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/ĐHĐCĐ/22 dated 14 April 2022.



## 25 DIVIDENDS

	Three-month period ended 31.03.2023 VND	Year ended 31.12.2022 VND
Beginning of year	596,400,800	596,400,800
Dividends payable during the year <i>Dividend payables</i>	-	-
Dividends paid during the year <i>Dividend paid by issuing shares</i>	-	-
End of year (Note 18(a))	<u>596,400,800</u>	<u>596,400,800</u>

## 26 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Net revenue from construction contracts	9,419,633,208	4,501,809,304	9,419,633,208	4,501,809,304
Net revenue from management service	2,734,120,354	873,211,016	2,734,120,354	873,211,016
Net revenue from sales of goods	104,472,727	45,236,849	104,472,727	45,236,849
Total	<u>12,258,226,289</u>	<u>5,420,257,169</u>	<u>12,258,226,289</u>	<u>5,420,257,169</u>

## 27 COST OF GOODS SOLD AND SERVICES RENDERED

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Cost of construction contracts	8,292,688,083	4,380,222,573	8,292,688,083	4,380,222,573
Cost of goods sold	104,472,727	45,236,849	104,472,727	45,236,849
Total	<u>8,397,160,810</u>	<u>4,425,459,422</u>	<u>8,397,160,810</u>	<u>4,425,459,422</u>

## 28 FINANCIAL INCOME

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Income from divestment from an associate	-	195,592,320,000	-	195,592,320,000
Interest income from deposits	4,622,595,563	1,525,664,961	4,622,595,563	1,525,664,961
Realised foreign exchange gains	-	1,054,859,129	-	1,054,859,129
Total	4,622,595,563	198,172,844,090	4,622,595,563	198,172,844,090

## 29 FINANCIAL EXPENSES

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Interest expense	2,922,926,609	4,593,902,467	2,922,926,609	4,593,902,467
Expenses for divestment from associate	-	7,657,899,612	-	7,657,899,612
Realised foreign exchange losses	52,877	601,767,322	52,877	601,767,322
Total	2,922,979,486	12,853,569,401	2,922,979,486	12,853,569,401

## 30 GENERAL AND ADMINISTRATION EXPENSES

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Provision/(reversal of provision) for doubtful debts (Note 8)	-	25,188,035,009	-	25,188,035,009
Staff costs	3,798,249,963	19,276,901,636	3,798,249,963	19,276,901,636
Outside service expenses	1,345,786,892	2,280,680,967	1,345,786,892	2,280,680,967
Depreciation and amortisation	173,794,707	129,142,085	173,794,707	129,142,085
Others				
Total	5,395,612,989	46,926,519,965	5,395,612,989	46,926,519,965

## 31 OTHER INCOME AND OTHER EXPENSES

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	31.03.2023 VND	31.03.2022 VND	31.03.2023 VND	31.03.2022 VND
<b>Other income</b>				
Others	149,042,886	526,462,347	149,042,886	526,462,347
<b>Total</b>	<u>149,042,886</u>	<u>526,462,347</u>	<u>149,042,886</u>	<u>526,462,347</u>
<b>Other expenses</b>				
Others	47,194,574	465,519,776	47,194,574	465,519,776
<b>Total</b>	<u>47,194,574</u>	<u>465,519,776</u>	<u>47,194,574</u>	<u>465,519,776</u>
<b>Net other income</b>	<u>101,848,312</u>	<u>60,942,571</u>	<u>101,848,312</u>	<u>60,942,571</u>

## 32 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:

	Three-month period ended 31 March		Accumulated three-month period ended 31 March	
	2023 VND	2022 VND	2023 VND	2022 VND
Net accounting (loss)/profit before tax	353,916,879	139,448,495,042	353,916,879	139,448,495,042
Adjustments:				
Expenses not deductible for tax purposes		422,179,177	31,622,603	422,179,177
Temporary differences	-	(123,690,000)	-	(123,690,000)
Estimated taxable profit	385,539,482	39,746,984,219	385,539,482	39,746,984,219
Estimated CIT payable	92,708,802	27,949,396,844	92,708,802	27,949,396,844
Charged/(credited) to income statement:				
CIT – current	92,708,802	27,949,396,844	92,708,802	27,949,396,844
CIT – deferred (Note 22)	-	24,738,000	-	24,738,000
CIT charge (*)	<u>92,708,802</u>	<u>27,974,134,844</u>	<u>92,708,802</u>	<u>27,974,134,844</u>

(\*) 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 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.

	Three-month ended 31 March 2023			
	Constructions	Sales of goods	Management services	Total
	VND	VND	VND	VND
Net sales	9,419,633,208	104,472,727	2,734,120,354	12,258,226,289
Cost of sales	8,292,688,083	104,472,727	-	8,397,160,810
Gross profit/(loss)	1,126,945,125	-	2,734,120,354	3,861,065,479

	Three-month ended 31 March 2022			
	Constructions	Sales of goods	Management services	Total
	VND	VND	VND	VND
Net sales	4,501,809,304	45,236,849	873,211,016	5,420,257,169
Cost of sales	4,380,222,573	45,236,849	-	4,425,459,422
Gross profit	121,586,731	-	873,211,016	994,797,747

*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.

## 34 RELATED PARTY DISCLOSURES

Details of subsidiaries and associates are given in Note 4.

## (a) Related party transactions

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

Related party	Relationship	Nature of transaction	Three-month period ended 31 March	
			2023 VND	2022 VND
i) Sales of goods and services				
Searefico E&C	Subsidiary	Management service	1,682,079,859	315,883,423
Arico	Subsidiary	Management service	896,323,120	390,913,917
Searee	Subsidiary	Management service	121,078,375	166,413,676
		Total	2,699,481,354	873,211,016

## 34 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

			Three-month period ended 31 March	
Related party	Relationship	Nature of transaction	2023 VND	2022 VND
ii) Purchases of goods and services				
Searefco E&C	Subsidiary	Construction services	8,670,956,957	-
Searee	Subsidiary	Construction services	-	3,127,618,884
		Total	8,670,956,957	3,127,618,884
iii) Other transactions				
Arico	Subsidiary	Lendings	24,500,000,000	-
		Interest income	929,731,453	-
		Interest expenses	-	91,972,603
Searee	Subsidiary	Lendings	1,025,000,000	-
		Interest expenses	290,281,836	-
		Payable to seller	2,774,623,700	-
Searefco E&C	Subsidiary	Lendings	17,000,000,000	-
		Lendings collection	900,000,000	-
		Interest income	363,022,852	-
		Borrowing	3,602,000,000	21,420,000,000
		Borrowing repayments	2,700,000,000	-
		Interest expenses	665,638,104	-
		Payable to seller	6,223,882,484	-
Greenpan	Subsidiary	Lendings	10,700,000,000	-
		Lendings collection	5,000,000,000	-
		Interest income	424,686,029	-
		Interest expenses	-	62,965,479
Phoenix	Subsidiary	Interest for late payment	149,042,886	147,405,053
iv) The salary and remuneration of key management				
Remuneration of the Board of Directors			480,000,000	480,000,000
Mr. Le Tan Phuoc			105,000,000	105,000,000
Mr. Nguyen Huu Thinh			75,000,000	75,000,000
Mr. Ryota Fukuda			75,000,000	75,000,000
Mr. Nishi Masayuki			75,000,000	75,000,000
Mr. Le Quang Phuc			75,000,000	75,000,000
Mr. Pham Kyle Anh Tuan			75,000,000	25,000,000
Mr. Lee Men Leng			-	50,000,000
Salaries and benefits of Board of Management			1,014,808,431	1,538,833,050
Mr. Vu Xuan Thuc			327,913,851	-
Mrs. Nguyen Thi Thanh Huong			-	288,558,975
Mr. Tran Dinh Muoi			277,073,059	302,457,778
Mr. Pham Ngoc Son			-	255,567,778
Mr. Phan Thanh Long			-	270,503,704
Mr. Dinh Ngoc Trien			180,188,782	-
Mr. Vuong Tran Quoc Thanh			-	196,557,778
Mr. Nguyen Quoc Cuong			76,190,367	83,680,000
Ms. Huynh Nhu Phuong			153,442,372	-
Mr. Nguyen Chau Tran			-	141,507,037
Total			1,494,808,431	2,018,833,050

## 34 RELATED PARTY DISCLOSURES (continued)

## (b) Year end balances with related parties

Related party	Relationship	Nature of transaction	31.03.2023 VND	31.12.2022 VND
<b>Short-term trade accounts receivable (Note 5)</b>				
Phoenix	Subsidiary	Construction services	10,041,509,390	10,041,509,390
Arico	Subsidiary	Construction services	3,919,480,762	3,919,480,762
Searefico E&C	Subsidiary	Construction services	82,390,000	82,390,000
		<b>Total</b>	<b>14,043,380,152</b>	<b>14,043,380,152</b>
<b>Short-term prepayments to suppliers (Note 6)</b>				
Searee	Subsidiary	Construction services	701,630,100	701,630,100
		<b>Total</b>	<b>701,630,100</b>	<b>701,630,100</b>
<b>Short-term lendings</b>				
Arico	Subsidiary	Lending	46,500,000,000	22,000,000,000
Greenpan	Subsidiary	Lending	15,700,000,000	10,000,000,000
Searefico E&C	Subsidiary	Lending	25,200,000,000	9,100,000,000
		<b>Total</b>	<b>87,400,000,000</b>	<b>41,100,000,000</b>
<b>Other short-term receivables (Note 7(a))</b>				
Seareal	Subsidiary	Other services	18,413,527	18,413,527
Arico	Subsidiary	Dividend received	1,008,000,000	1,008,000,000
		Other services	1,918,212,086	92,157,513
Searefico E&C	Subsidiary	Other services	12,709,460,307	9,498,702,352
Searee	Subsidiary	Dividend received	527,461,821	406,383,446
Inwatek	Related party	Interest income	658,643,288	658,643,288
Phoenix	Subsidiary	Other services	395,215,771	246,172,885
Greenpan	Subsidiary	Other services	450,606,029	25,920,000
Members of the Board of Directors, Board of Management		Others	1,741,180,303	2,508,347,846
		<b>Total</b>	<b>19,427,193,132</b>	<b>14,462,740,857</b>
<b>Short-term trade accounts payable (Note 13)</b>				
Searee	Subsidiary	Construction services	24,740,554,230	27,251,992,895
Searefico E&C	Subsidiary	Construction services	79,845,296,547	80,936,492,255
		<b>Total</b>	<b>104,585,850,777</b>	<b>108,188,485,150</b>



## 34 RELATED PARTY DISCLOSURES (continued)

## (b) Year end balances with related parties

Related party	Relationship	Nature of transaction	31.03.2023 VND	31.03.2022 VND
<b>Short-term advances from customers (Note 14)</b>				
Searefico E&C	Subsidiary	Construction services	1,869,000,000	5,269,000,000
<b>Other short-term payables (Note 18(a))</b>				
Searefico E&C	Subsidiary	Payment on behalf	2,465,059,891	2,465,059,891
Greepan	Subsidiary	Interest expenses	562,842,226	562,842,226
Members of the Board of Management		Others	357,131,250	327,131,250
		Total	3,355,033,367	3,355,033,367
<b>Short-term borrowings (Note 19)</b>				
Searefico E&C	Subsidiary	Borrowing	23,930,380,433	23,028,380,433
Searee	Subsidiary	Borrowing	10,645,500,000	9,620,500,000
		Total	34,575,880,433	32,648,880,433

The separate financial statements were approved by the Board of Management on 27 April 2023.

  
\_\_\_\_\_  
Nguyen Thanh Tam  
Preparer

  
\_\_\_\_\_  
Dinh Ngoc Trien  
Chief Accountant

  
\_\_\_\_\_  
Vu Xuan Thuc  
Chief Executive Officer

SEAREFICO