

SEAREFICO CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2023**

SEAREFICO CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2023

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SEAREFICO CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate joint stock company

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

Board of Directors

Mr. Le Tan Phuoc	Chairman
Mr. Nguyen Huu Thinh	Member
Mr. Ryota Fukuda	Member
Mr. Nishi Masayuki	Member
	(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

Organizational Innovation and Development Committee

Mr. Le Tan Phuoc	Chairman
Mr. Nishi Masayuki	Member
	(to 31 March 2023)
Mr. Le Quang Phuc	Member
	(from 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	Chief Executive Officer
	Mr. Tran Dinh Muoi	Deputy General Director
	Mr. Dinh Ngoc Trien	Chief Accountant
Legal representative	Mr. Le Tan Phuoc	Chairman of Board of Directors
	Mr. Vu Xuan Thuc	Chief Executive Officer
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	

SEAREFICO CORPORATION

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Searefico Corporation ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

Approval of the consolidated financial statements

We hereby approve the accompanying consolidated financial statements as set out on pages 4 to 49 which give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of the consolidated financial statements.

On behalf of the Board of Management



Vũ Xuân Thục
Chief Executive Officer
Legal representative

Ho Chi Minh City, SR Vietnam
29 July 2023

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.06.2023 VND	31.12.2022 VND
100	CURRENT ASSETS		1,563,897,473,549	1,381,724,918,285
110	Cash and cash equivalents	3	220,069,307,882	238,793,514,210
111	Cash		49,708,384,852	77,806,479,608
112	Cash equivalents		170,360,923,030	160,987,034,602
120	Short-term investments		141,367,162,805	117,992,162,805
123	Investments held to maturity	4(a)	141,367,162,805	117,992,162,805
130	Short-term receivables		850,143,591,264	726,681,910,174
131	Short-term trade accounts receivable	5	818,388,267,927	740,636,685,376
132	Short-term prepayments to suppliers	6	91,250,114,255	52,177,273,593
136	Other short-term receivables	7(a)	49,509,948,680	42,563,598,323
137	Provision for doubtful debts – short-term	8	(109,004,739,598)	(108,695,647,118)
140	Inventories	9	320,571,104,546	274,965,147,940
141	Inventories		323,631,114,146	278,025,157,540
149	Provision for decline in value of inventories		(3,060,009,600)	(3,060,009,600)
150	Other current assets		31,746,307,052	23,292,183,156
151	Short-term prepaid expenses	10(a)	3,450,274,297	4,031,449,826
152	Value added tax ("VAT") to be reclaimed	16(a)	24,871,897,687	18,038,625,008
153	Tax and other receivables from the State	16(a)	3,424,135,068	1,222,108,322

The notes on pages 9 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	ASSETS (continued)	Note	As at	
			30.06.2023 VND	31.12.2022 VND
200	LONG-TERM ASSETS		345,525,781,361	348,839,766,969
210	Long-term receivables		2,585,729,919	2,613,729,919
216	Other long-term receivables	7(b)	2,585,729,919	2,613,729,919
220	Fixed assets		251,478,249,620	259,791,970,916
221	Tangible fixed assets	11(a)	248,087,727,589	256,140,807,646
222	Historical cost		386,343,585,909	387,597,218,457
223	Accumulated depreciation		(138,255,858,320)	(131,456,410,811)
224	Finance lease fixed assets		996,391,666	1,030,750,000
225	Historical cost		1,030,750,000	1,030,750,000
226	Accumulated depreciation		(34,358,334)	-
227	Intangible fixed assets	11(b)	2,394,130,365	2,620,413,270
228	Historical cost		6,022,927,119	6,022,927,119
229	Accumulated amortisation		(3,628,796,754)	(3,402,513,849)
230	Investment properties	12	6,056,505,000	-
231	Historical cost		7,410,312,000	-
232	Accumulated amortisation		(1,353,807,000)	-
240	Long-term assets in progress		33,096,388,984	33,630,897,821
242	Construction in progress	13	33,096,388,984	33,630,897,821
250	Long-term investments		5,556,717,362	5,556,717,362
252	Investments in associate	4(b)	2,100,000,000	2,100,000,000
253	Investments in other entities	4(c)	3,456,717,362	3,456,717,362
260	Other long-term assets		46,752,190,476	47,246,450,951
261	Long-term prepaid expenses	10(b)	31,447,235,405	32,693,859,713
262	Deferred income tax assets	23	15,304,955,071	14,552,591,238
270	TOTAL ASSETS		1,909,423,254,910	1,730,564,685,254

The notes on pages 9 to 49 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at	
			30.06.2023 VND	31.12.2022 VND
300	LIABILITIES		1,477,901,744,218	1,301,575,884,207
310	Short-term liabilities		1,405,705,448,618	1,221,362,611,541
311	Short-term trade accounts payable	14	374,788,395,429	381,177,211,923
312	Short-term advances from customers	15	166,807,965,912	207,837,260,842
313	Tax and other payables to the State	16(b)	6,330,483,332	14,179,234,589
314	Payables to employees	17	9,190,130,593	8,743,231,640
315	Short-term accrued expenses	18	246,628,161,356	143,284,462,930
318	Short-term unearned revenue		247,500,000	247,500,000
319	Other short-term payables	19(a)	15,876,628,313	23,317,044,624
320	Short-term borrowings and finance lease liabilities	20(a)	577,957,010,416	434,826,585,553
321	Provision for short-term liabilities	21(a)	862,023,489	612,019,662
322	Bonus and welfare funds	22	7,017,149,778	7,138,059,778
330	Long-term liabilities		72,196,295,600	80,213,272,666
331	Long-term trade accounts payables		635,200,000	635,200,000
337	Other long-term payables	19(b)	1,305,350,000	1,160,000,000
338	Long-term borrowings and finance lease liabilities	20(b)	68,378,933,850	76,305,660,916
342	Provision for long-term liabilities	21(b)	1,876,811,750	2,112,411,750
400	OWNERS' EQUITY		431,521,510,692	428,988,801,047
410	Capital and reserves		431,521,510,692	428,988,801,047
411	Owners' capital	24, 25	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	25	284,019,059	284,019,059
414	Owners' other capital	25	4,415,811,246	4,415,811,246
415	Treasury shares	25	(29,238,407,099)	(29,238,407,099)
418	Investment and development funds	25	8,308,963,938	8,308,963,938
421	Undistributed earnings	25	2,546,359,040	412,708,023
421a	- Undistributed post-tax profits of previous years		412,708,023	141,706,737,915
421b	- (Post-tax loss)/post-tax profit of current year		2,133,651,017	(141,294,029,892)
429	Non-controlling interests	26	89,536,964,508	89,137,905,880
440	TOTAL RESOURCES		1,909,423,254,910	1,730,564,685,254



 Nguyen Thanh Tam
 Preparer



 Dinh Ngoc Tien
 Chief Accountant



 Vũ Xuân Thúc
 Chief Executive Officer
 29 July 2023

The notes on pages 9 to 49 are an integral part of these consolidated financial statements

SEAREFICO CORPORATION

CONSOLIDATED INCOME STATEMENT

Form B 02 – DN/HN

Code	Note	For the three-month period ended 30 June		Accumulated the six-month period ended 31 June	
		2023 VND	2022 VND	2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	458,803,281,999	332,903,622,853	714,396,320,410	470,622,074,009
10	Net revenue from sales of goods and rendering of services	458,803,281,999	332,903,622,853	714,396,320,410	470,622,074,009
11	Cost of goods sold and services rendered	(433,279,781,579)	(304,902,247,765)	(668,951,187,725)	(429,389,761,564)
20	Gross (loss)/profit from sales of goods and rendering of services	25,523,500,419	28,001,375,088	45,445,132,685	41,232,312,445
21	Financial income	5,190,721,841	6,137,761,099	9,759,454,780	96,454,609,881
22	Financial expenses	(13,559,162,421)	(10,140,659,942)	(24,063,744,517)	(27,300,560,286)
23	- Including: Interest expense	(12,577,990,143)	(10,575,395,463)	(22,809,185,772)	(19,466,596,591)
25	Selling expenses	(563,348,315)	(918,353,237)	(1,044,423,204)	(1,468,247,341)
26	General and administration expenses	(15,206,722,324)	(16,905,924,293)	(27,063,144,578)	(68,797,257,530)
30	Net operating (loss)/profit	1,384,989,200	6,174,198,715	3,033,275,166	40,120,857,169
31	Other income	730,857,267	371,808,852	1,422,243,766	915,116,577
32	Other expenses	(744,477,925)	(444,976,874)	(1,057,547,645)	(966,440,163)
40	Net other income	(13,620,658)	(73,168,022)	364,696,121	(51,323,586)
50	Net accounting (loss)/profit before tax	1,371,368,542	6,101,030,693	3,397,971,287	40,069,533,583
51	Corporate income tax ("CIT") - current	(1,017,454,050)	(7,495,824,760)	(1,617,625,476)	(35,836,340,373)
52	CIT - deferred	378,866,322	206,281,194	752,363,834	114,534,656
60	Net (loss)/profit after tax	732,780,814	(1,188,512,873)	2,532,709,645	4,347,727,866
Attributable to:					
61	Owners of the Company	333,722,186	(2,259,482,429)	2,133,651,017	2,588,128,391
62	Non-controlling interests	399,058,628	1,070,969,556	399,058,628	1,759,599,475
70	Basic (losses)/earnings per share	-	-	63	77
71	Diluted (losses)/earnings per share	-	-	63	77

 Nguyen Thanh Tam
 Preparer

 Dinh Ngoc Trien
 Chief Accountant

 Chief Executive Officer
 29 July 2023



The notes on pages 9 to 49 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT
 (Indirect method)

		For the six-month period ended 30 June	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting (loss)/profit before tax	3,397,971,287	40,069,533,583
Adjustments for:			
02	Depreciation and amortisation	9,764,648,523	8,258,424,806
03	Provision/(reversal of provisions)	559,096,307	24,606,467,432
04	Unrealised foreign exchange losses/(gains)	635,292,891	25,852,337
05	Profits from investing activities	(9,094,114,856)	(87,202,918,139)
06	Interest expense	22,809,185,772	19,466,596,591
08	Operating (loss)/profit before changes in working capital	28,072,079,924	5,223,956,610
09	Increase, decrease in receivables	(128,994,504,554)	57,850,077,560
10	Increase, decrease in inventories	(45,605,956,606)	(46,153,428,734)
11	Increase, decrease in payables	46,060,295,423	14,627,185,792
12	Increase, decrease in prepaid expenses	1,481,975,893	(1,817,811,472)
14	Interest paid	(22,539,212,928)	(19,637,589,724)
15	CIT paid	(12,927,062,678)	(4,921,624,296)
17	Other payments on operating activities	(356,510,000)	(8,121,010,071)
20	Net cash inflows from operating activities	(134,808,895,526)	(2,950,244,335)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(993,982,485)	(2,428,756,709)
22	Proceeds from disposals of fixed assets	-	-
23	Loans granted, purchases of debt instruments of other entities	(23,375,000,000)	(267,226,841,189)
24	Collection of term deposits at banks, proceeds from sales of debt instruments of other entities	-	90,113,916,709
26	Receives from investment in other entities	-	52,392,880,000
27	Dividends and interest received	5,212,777,840	197,777,235,452
30	Net cash inflows from investing activities	(19,156,204,645)	70,628,434,263
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	-	-
33	Proceeds from borrowings	640,637,140,939	435,759,184,245
34	Repayments of borrowings	(505,433,443,142)	(504,773,350,570)
35	Finance lease principal repayments	-	-
36	Dividends paid	-	(1,147,022,250)
40	Net cash outflows from financing activities	135,203,697,797	(70,161,188,575)
50	Net increase/(decrease) in cash and cash equivalents	(18,761,402,375)	(2,482,998,647)
60	Cash and cash equivalents at beginning of year	238,793,514,210	60,499,313,356
61	Effect of foreign exchange differences	37,196,046	5,529,945
70	Cash and cash equivalents at end of year	220,069,307,882	58,021,844,654

 Nguyen Thanh Tam
 Preparer

 Dinh Ngoc Trien
 Chief Accountant

 Vu Xuan Thuc
 Chief Executive Officer
 29 July 2023

The notes on pages 9 to 49 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 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 symbol “SRF” in accordance with License No. 117/QĐ-SGDHCM dated 29 September 2009, and the first trading date of the Company’s shares was on 21 October 2009.

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

The normal business cycle of the Company and its subsidiaries (together, “the Group”) is 12 months for production and service activities, and from 12 (twelve) months to 24 (twenty-four) months for construction activities.

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

As at 30 June 2023, the Group had 453 employees (31 March 2023: 459 employees).

1 GENERAL INFORMATION (continued)

As at 30 June 2023 and 31 December 2022, the Company had subsidiaries and associates as follows:

	Principal activities	Place of incorporation and operation	30.06.2023		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	79.70	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	60.00	37.80	75.00	
Greenpan Joint Stock Company ("Greenpan")	Producing unburnt light materials, PIR fireproof panels (polyisocyanurate)	Binh Tan District, Ho Chi Minh City, Vietnam	48.64	52.50	48.64	52.50	
Associates							
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu")	Electricity production	Hue City, Thua Thien – Hue Province, Vietnam	11.34	30.00	11.34	30.00	
SEA MH Solar Limited Company ("Solar")	Power production	Bac Lieu City, Bac Lieu Province, Vietnam	11.34	30.00	11.34	30.00	

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

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

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

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

2.2 Fiscal year

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

2.3 Currency

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

2.4 Exchange rates

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

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

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

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

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

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

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

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

Non-controlling transactions and interests

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

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

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

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

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

(b) Associates

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

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

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

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

2.6 Cash and cash equivalents

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

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

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

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

2.8 Inventories

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

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

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

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

The Group applies the perpetual system for inventories.

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

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

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

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

Provision for diminution in value of investments held to maturity is made when there is evidence that the investments are uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

(b) Investments in associates

Investments in associates are accounted using the equity method when preparing the consolidated financial statements.

(c) Investments in other entities

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees. Changes in the provision balance during the accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Construction contracts

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

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

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

2.11 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

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

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

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

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

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

Construction in progress

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

2.12 Operating leases

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

2.13 Investment properties held for lease

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

Depreciation and amortisation

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

Disposals

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

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

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

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2.16 Borrowings and finance lease liabilities

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

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

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

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

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

2.18 Provisions

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

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

2.19 Provision for severance allowances

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

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

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

2.20 Owners' capital

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

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

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

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

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

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

2.21 Appropriation of profit

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

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

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

(a) Investment and development fund

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

(b) Bonus and welfare fund

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

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

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

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

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

(b) Revenue from construction contracts

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

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

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

(c) Revenue from rendering of services

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition (continued)****(d) Interest income**

Interest income is recognised on an earned basis.

(e) Dividend income

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

2.23 Cost of goods sold and services rendered

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

2.24 Cost of construction contracts

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

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

2.25 Financial expenses

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

2.26 General and administration expenses

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

2.27 Current and deferred CIT

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

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

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

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

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

2.28 Related parties

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

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

2.29 Segment reporting

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Critical accounting estimates**

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

The areas involving significant estimates and assumptions are as follows:

- Gross profit;
- Provision for doubtful debts;
- Provision for decline in value of inventories;
- Accrued expenses and provision for liabilities;
- Deffered income tax.

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

3 CASH AND CASH EQUIVALENTS

	30.06.2023 VND	31.12.2022 VND
Cash on hand	268,648,030	720,444,688
Cash at bank	49,439,736,822	77,086,034,920
Cash equivalents (*)	170,360,923,030	160,987,034,602
Total	220,069,307,882	238,793,514,210

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

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

	30.06.2023		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	141,367,162,805	141,367,162,805	117,992,162,805	117,992,162,805

Included in the balance as at 30 June 2023 and 31 December 2022 are VND110 billion at Joint Stock Commercial Bank for Investment and Development of Vietnam was pledged as security for the overdraft agreement granted from this bank.

4 INVESTMENTS (continued)

(b) Investments in associates

	30.06.2023		31.12.2022	
	Cost VND	% of ownership	Cost VND	% of ownership
Quang Phu Investment and Solution Joint Stock Company ("Quang Phu") (*)	1,200,000,000	11.34	1,200,000,000	11.34
SEA MH Solar Limited Company ("MH Solar") (*)	900,000,000	11.34	900,000,000	11.34
	<u>2,100,000,000</u>		<u>2,100,000,000</u>	

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

As at 30 June 2023 and 31 December 2022, the Group of holding companies had not determined the fair value of these investments to disclose on the consolidated financial statements because they do not have listed prices and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

(c) Investments in other entities

	2023		2022	
	Cost VND	% of ownership	Cost VND	% of ownership
Formtek Engineering Joint Stock Company ("Formtek")	1,900,000,000	19.00	1,900,000,000	19.00
International Investment and Water Technology Joint Stock Company ("Inwatek")	1,556,717,362	1.73	1,556,717,362	1.73
	<u>3,456,717,362</u>		<u>3,456,717,362</u>	

As at 30 June 2023 and 31 December 2022, the Group has not determined the fair value of this investment as this entity has not been listed on the stock market.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.06.2023 VND	31.12.2022 VND
Central Construction Joint Stock Company	290,094,274,969	221,677,266,018
Industrial Construction Joint Stock Company	84,360,709,259	84,360,709,259
Syrena Phu Quoc Land Joint Stock Company	34,590,755,524	34,590,755,524
Saigon Binh Chau Corporation	20,188,743,960	21,893,743,960
Hai Dang Real Estate Investment Joint Stock Company	297,336,456	4,179,948,608
Others	388,856,447,759	373,934,262,007
Total	818,388,267,927	740,636,685,376

As at 30 June 2023 and 31 December 2022, the past due balances of short-term trade accounts receivable were presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.06.2023 VND	31.12.2022 VND
Prepayments to suppliers	91,250,114,255	52,177,273,593
Related parties	-	-
Total	91,250,114,255	52,177,273,593

As at 30 June 2023, the Group did not have any short-term prepayments to third parties balance that exceed 10% the total amount.

7 OTHER RECEIVABLES

	30.06.2023 VND	31.12.2022 VND
Third parties	45,992,935,092	38,296,075,407
<i>Other receivables from employees</i>	22,957,026,415	20,351,190,898
<i>Deposits</i>	1,552,341,127	8,549,065,705
<i>Interest income receivable from banks</i>	11,681,395,623	2,910,988,039
<i>Interest expense incentive receivable from the State</i>	2,229,145,845	2,246,872,974
<i>Others</i>	7,573,026,082	4,237,957,791
Related parties (Note 37(b))	3,517,013,588	4,267,522,916
Total	49,509,948,680	42,563,598,323

(b) Long-term

The balances represent the long-term deposits. As at 30 June 2023 and 31 December 2022, there was no balance of other receivables that was past due or not past due but doubtful.

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8 DOUBTFUL DEBTS

	30.06.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	137,030,403,155	(109,004,739,598)	135,484,940,753	(108,695,647,118)
<i>Industrial Construction Joint</i>				
<i>Stock Company</i>	84,360,709,259	(84,360,709,259)	84,360,709,259	(84,360,709,259)
<i>Others</i>	52,669,693,896	(24,644,030,339)	51,124,231,494	(24,334,937,859)
Movements in provision for short-term doubtful debts during the year are as follows:				
	Six-month period ended 30.06.2023		Year ended 31.12.2022	
	VND		VND	
Beginning of year	108,695,647,118		31,339,645,683	
Increase/ Reversal	309,092,480		77,356,001,435	
Write-off	-		-	
End of year	109,004,739,598		108,695,647,118	

9 INVENTORIES

	30.06.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	5,349,713,736	-	4,769,449,032	-
Raw materials	65,724,344,351	(3,051,672,638)	62,547,535,806	(3,051,672,638)
Tools and supplies	11,887,156,406	-	9,046,324,923	-
Work in progress (*)	225,630,880,297	-	187,129,888,277	-
Finished goods	13,818,764,313	(8,336,962)	13,311,704,459	(8,336,962)
Merchandises	182,927,256	-	182,927,256	-
Goods on consignment	1,037,327,787	-	1,037,327,787	-
	<u>323,631,114,146</u>	<u>(3,060,009,600)</u>	<u>278,025,157,540</u>	<u>(3,060,009,600)</u>

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

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year		866,929,840
Increase	3,060,009,600	2,193,079,760
Reversal	-	-
End of year	<u>3,060,009,600</u>	<u>3,060,009,600</u>

10 PREPAID EXPENSES

(a) Short-term

	30.06.2023 VND	31.12.2022 VND
Tools and supplies	156,090,897	518,357,730
Others	3,294,183,400	3,513,092,096
	<hr/>	<hr/>
Total	3,450,274,297	4,031,449,826
	<hr/>	<hr/>

(b) Long-term

	30.06.2023 VND	31.12.2022 VND
Rental fee	26,225,048,337	26,426,612,031
Others	5,222,187,068	6,267,247,682
	<hr/>	<hr/>
Total	31,447,235,405	32,693,859,713
	<hr/>	<hr/>

11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2023	100,318,116,485	254,885,204,984	25,251,944,893	5,879,766,441	1,262,185,654	387,597,218,457
New purchases	-	78,500,000	-	93,000,000	-	171,500,000
Transfers from construction in progress	682,404,650	5,302,774,802	-	-	-	5,985,179,452
Transfer to Investment properties	(7,410,312,000)	-	-	-	-	(7,410,312,000)
As at 30 June 2023	93,590,209,135	260,266,479,786	25,251,944,893	5,972,766,441	1,262,185,654	386,343,585,909
Accumulated depreciation						
As at 1 January 2023	41,095,923,143	75,884,561,007	8,623,010,208	4,791,929,138	1,060,987,315	131,456,410,811
Charge for the year	1,303,445,644	5,641,840,508	705,190,943	237,864,436	122,406,978	8,010,748,509
Transfer to Investment properties	(1,211,301,000)	-	-	-	-	(1,211,301,000)
As at 30 June 2023	41,188,067,787	81,526,401,515	9,328,201,151	5,029,793,574	1,183,394,293	138,255,858,320
Net book value						
As at 1 January 2023	59,222,193,342	179,000,643,977	16,628,934,685	1,087,837,303	201,198,339	256,140,807,646
As at 30 June 2023	52,402,141,348	178,740,078,271	15,923,743,742	942,972,867	78,791,361	248,087,727,589

11 FIXED ASSETS (continued)
(b) Finance lease fixed asset

	Computer software VND	Total VND
Historical cost		
As at 1 January 2023	1,030,750,000	1,030,750,000
	<u>1,030,750,000</u>	<u>1,030,750,000</u>
As at 30 June 2023		
Accumulated amortisation		
As at 1 January 2023	34,358,334	34,358,334
Charge for the year	<u>34,358,334</u>	<u>34,358,334</u>
As at 30 June 2023		
Net book value		
As at 1 January 2023	1,030,750,000	1,030,750,000
	<u>1,030,750,000</u>	<u>1,030,750,000</u>
As at 30 June 2023	<u>996,391,666</u>	<u>996,391,666</u>

(c) Intangible fixed assets

	Computer software VND	Total VND
Historical cost		
As at 1 January 2023	6,022,927,119	6,022,927,119
	<u>6,022,927,119</u>	<u>6,022,927,119</u>
As at 30 June 2023		
Accumulated amortisation		
As at 1 January 2023	3,402,513,849	3,402,513,849
Charge for the year	<u>226,282,905</u>	<u>226,282,905</u>
As at 30 June 2023	<u>3,628,796,754</u>	<u>3,628,796,754</u>
Net book value		
As at 1 January 2023	2,620,413,270	2,620,413,270
	<u>2,620,413,270</u>	<u>2,620,413,270</u>
As at 30 June 2023	<u>2,394,130,365</u>	<u>2,394,130,365</u>

12 INVESTMENT PROPERTY

	Computer software VND	Total VND
Historical cost		
As at 1 January 2023	-	-
Transfer from tangible fixed assets	7,410,312,000	7,410,312,000
As at 30 June 2023	7,410,312,000	7,410,312,000
Accumulated amortisation		
As at 1 January 2023	-	-
Transfer from tangible fixed assets	1,211,301,000	1,211,301,000
Charge for the year	142,506,000	142,506,000
As at 30 June 2023	1,353,807,000	1,353,807,000
Net book value		
As at 1 January 2023	-	-
As at 30 June 2023	6,056,505,000	6,056,505,000

13 CONSTRUCTION IN PROGRESS

	30.06.2023 VND	31.12.2022 VND
Phu Quoc Apartments	13,704,464,512	13,704,464,512
Da Nang Apartments	13,065,337,500	13,065,337,500
Factory construction	835,476,712	1,482,881,362
Machinery	-	658,554,287
Others	5,491,110,260	4,719,660,160
Total	33,096,388,984	33,630,897,821

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

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	33,630,897,821	33,417,126,812
Purchase	5,668,116,960	4,438,511,518
Transfers to fixed assets	(5,985,179,452)	(608,430,000)
Transfers to prepaid	(217,446,345)	(1,072,596,091)
Transfers to inventory	-	(38,743,013)
Write-offs	-	(2,504,971,405)
End of year	33,096,388,984	33,630,897,821

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.06.2023		31.12.2022	
	Value	Able-to-pay amount	Value	Able-to-pay amount
	VND	VND	VND	VND
Third parties	374,788,395,429	374,788,395,429	381,177,211,923	381,177,211,923
Dang Viet Construction Joint Stock Company	8,366,376,773	8,366,376,773	22,913,157,980	22,913,157,980
Company Building and Construction Electrical The Minh System Logistics Spa	11,431,998,155	11,431,998,155	13,378,303,958	13,378,303,958
Others	14,779,557,966	14,779,557,966	4,560,223,035	4,560,223,035
	340,210,462,535	340,210,462,535	340,325,526,950	340,325,526,950
Total	374,788,395,429	374,788,395,429	381,177,211,923	381,177,211,923

As at 30 June 2023 and 31 December 2022, there was no balance of short-term trade accounts payable that was past due.

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.06.2023 VND	31.12.2022 VND
Hoa Binh Construction Joint Stock Company	38,741,582,709	49,141,289,665
Long An Investment Single-member Co., Ltd	42,000,000,000	42,000,000,000
Kien A Khanh Hoa Investment Joint Stock Company	18,967,583,007	18,967,583,007
LC Foods Company Limited	-	9,716,165,504
Others	67,098,800,196	88,012,222,666
Total	166,807,965,912	207,837,260,842

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

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

	As at 1.1.2023 VND	Receivable/payable during the year VND	Payment during the year VND	As at 30.06.2023 VND
(a) Tax receivables				
VAT on domestic sales	18,038,625,008	43,208,996,400	(34,349,439,379)	26,898,182,029
CIT	780,429,578	74,687,091	(6,132,550)	848,984,119
Personal income tax	339,847,596	706,968,918	(909,879,403)	136,937,111
Luxury tax	-	408,929,496	-	408,929,496
Import tax	98,831,148	224,697,779	(323,528,927)	-
Business license tax	3,000,000	-	-	3,000,000
Total	19,260,733,330	44,624,279,684	(35,588,980,259)	28,296,032,755
(b) Tax payables				
CIT	12,691,948,318	1,611,492,926	(12,927,062,678)	1,376,378,566
VAT on domestic sales	1,231,009,196	31,825,767,626	(28,308,097,351)	4,748,679,471
Personal income tax	256,277,075	3,163,741,874	(3,214,593,654)	205,425,295
VAT on importation	-	6,619,840,269	(6,619,840,269)	-
Import, export tax	-	587,993,121	(587,993,121)	-
Business license tax	-	17,040,650	(17,040,650)	-
Total	14,179,234,589	43,825,876,466	(51,674,627,723)	6,330,483,332

17 PAYABLES TO EMPLOYEES

Short-term payables represent the amount payable to employees in relation to the remuneration as at 30 June 2023 and at 31 December 2022.

18 SHORT-TERM ACCRUED EXPENSES

	30.06.2023 VND	31.12.2022 VND
Accrued project costs	237,296,077,270	138,375,540,882
Interest expense	822,656,663	612,559,081
Others	8,509,427,423	4,296,362,967
Total	246,628,161,356	143,284,462,930

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

	30.06.2023 VND	31.12.2022 VND
<i>Social, health and unemployment insurance and trade union fees</i>	3,672,118,741	3,601,289,386
<i>Unemployment allowances</i>	1,955,623,856	2,229,631,649
<i>Dividends payable</i>	596,400,800	596,400,800
<i>Others</i>	9,652,484,916	16,889,722,789
Total	15,876,628,313	23,317,044,624

(b) Long-term

	30.06.2023 VND	31.12.2022 VND
Deposits	1,305,350,000	1,160,000,000
	1,305,350,000	1,160,000,000

20 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	As at 30.06.2023 VND
	Carrying value (Able-to-pay amount)			Carrying value (Able-to-pay amount)
Bank loans	431,568,030,553	635,119,474,939	(492,148,450,979)	574,539,054,513
Leasing	313,348,000	-	(134,684,666)	178,663,334
Borrowings from related party	2,945,207,000	5,517,666,000	(5,223,580,431)	3,239,292,569
Total	434,826,585,553	640,637,140,939	(497,506,716,076)	577,957,010,416

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	As at 30.06.2023 VND
	Carrying value (Able-to-pay amount)			Carrying value (Able-to-pay amount)
Bank loans	71,930,900,916	-	(7,806,727,066)	64,124,173,850
Leasing	494,760,000	-	-	494,760,000
Borrowings from related party	3,880,000,000	-	(120,000,000)	3,760,000,000
Total	76,305,660,916	-	(7,926,727,066)	68,378,933,850

20 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

Details of long-term borrowings are as follows:

	30.06.2023 VND	31.12.2022 VND
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV")	110,140,168,990	110,306,006,595
Vietnam Technological and Commercial Joint – Stock Bank ("TCB")	275,622,291,481	99,615,708,018
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("VCB")	67,628,770,541	74,628,770,541
Maritime Commercial Joint Stock Bank ("MSB")	149,570,448,821	73,816,248,857
Military Commercial Joint Stock Bank ("MBB")	35,075,417,576	13,764,789,501
Tien Phong Commercial Joint Stock Bank - Da Nang Branch ("TPB")	626,130,954	682,202,382
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	-	130,685,205,575
Total	638,663,228,363	503,498,931,469

(c) Finance lease liabilities

	30.06.2023			31.12.2022		
	Total VND	Interest VND	Principal VND	Total VND	Interest VND	Principal VND
Chailease International Leasing Co., Ltd.	738,402,495	64,979,161	673,423,334	939,417,304	131,309,304	808,108,000
	738,402,495	64,979,161	673,423,334	939,417,304	131,309,304	808,108,000

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

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	612,019,662	1,376,538,681
Provision	497,004,520	297,385,264
Utilisation	(247,000,693)	(1,061,904,283)
End of year	<u>862,023,489</u>	<u>612,019,662</u>

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

(b) Long-term

Provision for long-term liabilities represents provision for severance allowances pay to employees of the Group as at 30 June 2023 and 31 December 2022.

22 BONUS AND WELFARE FUNDS

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	7,138,059,778	13,375,799,984
Increase during the year	-	3,169,910,675
Utilisation during the year	(120,910,000)	(9,407,650,881)
End of year	<u>7,017,149,778</u>	<u>7,138,059,778</u>

23 DEFERRED INCOME TAX ASSETS

Movements in the deferred income tax assets are as follows:

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	14,552,591,238	14,724,777,141
Income statement	752,363,833	(172,185,903)
Total	15,304,955,071	14,552,591,238

Details for deferred income tax assets:

	30.06.2023 VND	31.12.2022 VND
Income from divestment in a subsidiary	6,300,000,000	6,300,000,000
Income from capital contribution by fixed assets	3,096,492,133	3,113,351,734
Deductible temporary differences in relation to accrued expenses and provisions	2,273,821,164	2,320,941,165
Interest expenses excess of 30% EBITDA	3,634,641,774	2,818,298,339
Total	15,304,955,071	14,552,591,238

Tax rates used for determining deferred tax assets in the years 2023 and 2022 is 20% for the Company, 20% for Arico and 10% for Greenpan.

24 OWNERS' CAPITAL**(a) Number of ordinary shares**

	30.06.2023 Ordinary shares	31.12.2022 Ordinary shares
Number of shares registered	35,566,780	35,566,780
Number of shares issued	35,566,780	35,566,780
Number of shares repurchased	(1,780,000)	(1,780,000)
Number of existing shares in circulation	33,786,780	33,786,780

(b) Details of owners' shareholding

	30.06.2023 Ordinary shares	%	31.12.2022 Ordinary shares	%
Taisei Oncho Company Limited	8,909,456	25.05	8,909,456	25.05
Sanyo Engineering & Construction				
Vietnam Company Limited	7,150,000	20.10	7,150,000	20.10
Vietnam Seaproducts Joint Stock				
Corporation	4,567,200	12.85	4,567,200	12.85
Other shareholders	13,160,124	37.00	13,160,124	37.00
Treasury shares	1,780,000	5.00	1,780,000	5.00
Number of shares	35,566,780	100.00	35,566,780	100.00

(c) Movement of owners' capital

	Ordinary shares	
	Shares	VND
As at 1 January 2022	35,566,780	355,667,800,000
New shares issued	-	-
As at 31 December 2022	35,566,780	355,667,800,000
New shares issued	-	-
As at 30 June 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 dividend at any time the Company noticed. All the ordinary shares have the same priority with the remaining assets of the Company.

25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development funds VND	Undistributed earnings VND	Total VND
As at 1 January 2022	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	144,650,123,767	484,088,310,911
Net profit for the year	-	-	-	-	-	(141,294,029,892)	(141,294,029,892)
Appropriation to Bonus and welfare funds	-	-	-	-	-	(2,943,385,852)	(2,943,385,852)
Dividends declared	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	412,708,023	339,850,895,167
As at 31 December 2022	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	412,708,023	339,850,895,167
Net profit for the year	-	-	-	-	-	2,133,651,017	2,133,651,017
As at 30 June 2023	355,667,800,000	284,019,059	4,415,811,246	(29,238,407,099)	8,308,963,938	2,546,359,040	341,984,546,184

26 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	30.06.2023 VND	31.12.2022 VND
Share capital	86,005,000,000	86,005,000,000
Undistributed earnings	3,531,964,508	3,132,905,880
	<u>89,536,964,508</u>	<u>89,137,905,880</u>

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

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	89,137,905,880	89,592,540,169
Net (loss)/profit for the year	399,058,628	(36,109,466)
Appropriation to bonus and welfare funds	-	(226,524,823)
Dividends declared	-	(192,000,000)
Ending of year	<u>89,536,964,508</u>	<u>89,137,905,880</u>

27 DIVIDENDS

	Six-month period ended 30.06.2023 VND	Year ended 31.12.2022 VND
Beginning of year	596,400,800	596,400,800
Dividends payable during the year	-	-
<i>Dividend for the year</i>	-	-
Dividends paid during the year	-	-
<i>Dividend paid by issuing shares</i>	-	-
End of year	<u>596,400,800</u>	<u>596,400,800</u>

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

	Six-month period ended	
	30.06.2023	30.06.2022
Net (loss)/profit attributable to shareholders (VND)	2,133,651,017	2,588,128,391
Less amount allocated to bonus and welfare funds (VND) (*)	-	-
	<u>2,133,651,017</u>	<u>2,588,128,391</u>
Weighted average number of ordinary shares in issue (shares)	33,786,780	33,786,780
Basic (loss)/earnings per share (VND)	<u>63</u>	<u>77</u>

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

(b) Diluted (loss)/earnings per share

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

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

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Net revenue from construction contracts	428,976,550,947	260,085,344,210	643,431,716,393	343,654,458,067
Net revenue from sales of goods	29,579,231,052	70,576,297,107	70,207,104,017	122,726,885,081
Net revenue from other services	247,500,000	2,241,981,536	757,500,000	4,240,730,861
Total	458,803,281,999	332,903,622,853	714,396,320,410	470,622,074,009

30 COST OF GOODS SOLD AND SERVICES RENDERED

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	30.06.2023 VND	31.03.2022 VND	30.06.2023 VND	31.03.2022 VND
Cost of construction contracts	418,450,789,873	240,153,821,448	618,839,554,202	316,252,263,979
Cost of goods sold	14,711,723,342	64,748,426,317	49,432,569,361	113,137,497,585
Cost of other services	117,268,364	-	679,064,162	-
Total	433,279,781,579	304,902,247,765	668,951,187,725	429,389,761,564

31 FINANCIAL INCOME

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Interest income from deposits and loans	3,976,134,889	1,342,016,785	7,203,211,470	2,919,287,135
Bond interest		3,509,197,762		3,509,197,762
Realised foreign exchange gains	333,119,111	440,758,362	806,712,324	1,593,792,130
Income from divestment from an associate	-	-	-	87,586,544,644
Others	881,467,841	845,788,190	1,749,530,986	-
Total	5,190,721,841	6,137,761,099	9,759,454,780	96,454,609,881

32 FINANCIAL EXPENSES

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Interest expense	12,577,990,143	10,575,395,463	22,809,185,772	19,466,596,591
Net loss from foreign currency translation at year- end	981,172,278	(503,954,748)	1,254,558,745	58,960,074
Expenses for divestment from associate	-	-	-	7,657,899,612
Other financial expenses	-	69,219,227	-	117,104,009
Total	13,559,162,421	10,140,659,942	24,063,744,517	27,300,560,286

33 GENERAL AND ADMINISTRATION EXPENSES

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Staff costs	9,027,173,557	9,907,986,536	16,744,670,317	32,261,146,175
Depreciation and amortisation	671,918,966	751,907,790	1,088,347,069	1,128,050,986
Tools and supplies	175,519,094	139,094,518	371,633,489	282,256,143
Written-off bad debts	309,092,480	28,064,060	309,092,480	25,219,555,915
Outside service expenses	5,023,018,227	6,078,871,389	8,549,401,223	9,906,248,311
Total	15,206,722,324	16,905,924,293	27,063,144,578	68,797,257,530

34 OTHER INCOME AND OTHER EXPENSES

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Other income				
Others	730,857,267	371,808,852	1,422,243,766	915,116,577
Total	730,857,267	371,808,852	1,422,243,766	915,116,577
Other expenses				
Others	744,477,925	444,976,874	1,057,547,645	966,440,163
Total	744,477,925	444,976,874	1,057,547,645	966,440,163

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

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
CIT expenses incurred during the period	1,017,454,050	7,495,824,760	1,617,625,476	35,836,340,373
Deferred CIT expense	(378,866,322)	(206,281,194)	(752,363,834)	(114,534,656)
Total	<u>638,587,728</u>	<u>7,289,543,566</u>	<u>865,261,642</u>	<u>35,721,805,717</u>

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

	Three-month period ended 30 June		Accumulated six-month period ended 30 June	
	2023 VND	2022 VND	2023 VND	2022 VND
Net accounting (loss)/profit before tax	1,371,368,542	6,101,030,693	3,397,971,287	40,069,533,583
Adjustments:				
Expenses not deductible for tax purposes	2,459,509,603	2,542,342,901	4,987,351,247	3,228,795,299
Temporary differences	(616,966,943)	1,069,116,421	(2,274,905,480)	(3,741,163,264)
Net income from divestment an associate	-	19,442,458,345	-	108,005,775,336
Tax losses in subsidiaries for which no deferred income tax asset for recognized	1,667,869,240	4,530,549,895	1,772,220,517	27,210,092,891
Estimated taxable profit	<u>4,881,780,442</u>	<u>33,685,498,255</u>	<u>7,882,637,571</u>	<u>174,773,033,845</u>
In which:				
Estimated current taxable profit	4,881,780,442	33,685,498,255	7,882,637,571	174,773,033,845
Incentive taxable income exemption	-	-	-	-
Estimated tax loss	-	-	-	-
Estimated CIT payable	976,356,088	6,737,099,651	1,576,527,514	34,954,606,769
CIT exemption	-	(26,457,415)	-	(26,457,415)
Estimated CIT after exemption	976,356,088	6,710,642,236	1,576,527,514	34,928,149,354
Adjustment for CIT from prior period	41,097,962	785,182,524	41,097,962	908,191,019
CIT – current	1,017,454,050	7,495,824,760	1,617,625,476	35,836,340,373
CIT– deferred	(378,866,322)	(206,281,194)	(752,363,834)	(114,534,656)
Total	<u>638,587,728</u>	<u>7,289,543,566</u>	<u>865,261,642</u>	<u>35,721,805,717</u>

36 SEGMENT REPORTING

Business segment

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

Six-month ended 30 June 2023				
	Construction VND	Sales of goods VND	Other services VND	Total VND
Net revenue	643,431,716,393	70,207,104,017	757,500,000	714,360,320,410
Cost of sales	618,839,554,202	49,432,569,361	679,064,162	668,915,187,725
Gross profit/(loss)	24,592,162,191	20,774,534,656	78,435,838	45,481,132,685
	Construction VND	Sales of goods VND	Other services VND	Total VND
Net revenue	343,654,458,067	122,726,885,081	4,240,730,861	470,622,074,009
Cost of sales	316,252,263,979	113,137,497,585	-	429,389,761,564
Gross profit	27,402,194,088	9,589,387,496	4,240,730,861	41,232,312,445

Geographical segment

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

37 RELATED PARTY DISCLOSURES**(a) Related party transactions**

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

			Six-month period ended 30 June	
Related party	Relationship	Nature of transaction	2023 VND	2022 VND
i) The salary and remuneration of key management				
Remuneration for the Boards of Directors and Supervision			960,000,000	960,000,000
Mr, Le Tan Phuoc			210,000,000	210,000,000
Mr, Nguyen Huu Thinh			150,000,000	150,000,000
Mr, Ryota Fukuda			150,000,000	150,000,000
Mr, Nishi Masayuki			75,000,000	150,000,000
Mr, Yoshihiko Shiotsugu			75,000,000	-
Mr, Le Quang Phuc			150,000,000	150,000,000
Mr, Pham Kyle Anh Tuan			150,000,000	100,000,000
Mr, Lee Men Leng			-	50,000,000
Salaries and benefits of the Board of Management			2,042,905,935	3,377,523,293
Mr, Vu Xuan Thuc			655,651,351	-
Mr, Tran Dinh Muoi			568,853,060	782,844,830
Mr, Dinh Ngoc Tien			360,003,783	-
Mr, Nguyen Quoc Cuong			152,000,368	167,740,000
Ms, Huynh Nhu Phuong			306,397,373	120,273,213
Mrs, Nguyen Thi Thanh Huong			-	529,762,764
Mr, Pham Ngoc Son			-	511,437,778
Mr, Huynh Khoi Binh			-	44,283,595
Mr, Phan Thanh Long			-	543,006,297
Mr, Vuong Tran Quoc Thanh			-	393,417,778
Mr, Nguyen Chau Tran			-	284,757,037
Total			3,002,905,935	4,337,523,293


(b) Year end balances with related parties

Year end balances with related parties			30.06.2023	31.12.2022
Related party	Relationship	Nature of transaction	VND	VND
Other short-term receivables (Note 7(a))				
Members of the Board of Directors, Board of Management		Others	3,517,013,588	4,267,522,916
			3,517,013,588	4,267,522,916
Borrowing and finance lease liabilities				
Mr, Nguyen Khoa Dang	Related party	Borrowing	3,239,292,569	2,945,207,000
Mr, Pham Ngoc Son	Related party	Borrowing	3,760,000,000	3,880,000,000
			6,999,292,569	6,825,207,000

The consolidated financial statements were approved by the Board of Management on 29 July 2023



 Nguyen Thanh Tam
 Preparer



 Dinh Ngoc Tien
 Chief Accountant



 Vu Xuan Thuc
 Chief Executive Officer