

SEAREFICO CORPORATION

SEPARATE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

## SEAREFICO CORPORATION

### SEPARATE FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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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 21<sup>st</sup> 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  
Mr. Tran Dinh Muoi  
Mr. 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 30 September 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 44 which give a true and fair view of the separate financial position of the Company as at 30 September 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 30 September 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



Vũ Xuân Thúc  
Chief Executive Officer  
Legal representative

Ho Chi Minh City, Vietnam  
30 October 2023

## SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.09.2023 VND	31.12.2022 VND
100	CURRENT ASSETS		416,174,553,235	537,961,787,686
110	Cash and cash equivalents	3	52,641,177,343	102,022,909,817
111	Cash		5,341,177,343	839,234,784
112	Cash equivalents		47,300,000,000	101,183,675,033
120	Short-term investments		-	110,000,000,000
123	Investments held to maturity	4(a)	-	110,000,000,000
130	Short-term receivables		326,539,052,268	287,232,677,888
131	Short-term trade accounts receivable	5	306,633,836,184	306,705,071,413
132	Short-term prepayments to suppliers	6	13,384,928,794	14,382,858,944
135	Short-term lendings	34(b)	73,400,000,000	41,100,000,000
136	Other short-term receivables	7(a)	29,778,406,018	21,433,981,352
137	Provision for doubtful debts - short-term	8	(96,658,118,728)	(96,389,233,821)
140	Inventories	9	28,316,279,220	29,981,794,281
141	Inventories		28,316,279,220	29,981,794,281
150	Other current assets		8,678,044,404	8,724,405,700
151	Short-term prepaid expenses	10(a)	1,152,465,091	1,013,480,550
152	Value added tax ("VAT") to be reclaimed	15(a)	7,445,861,445	7,700,434,146
153	Tax and other receivables from the State	15(a)	79,717,868	10,491,004

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

SEPARATE BALANCE SHEET  
(continued)

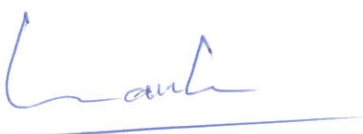
Code	ASSETS (continued)	Note	As at	
			30.09.2023 VND	31.12.2022 VND
200	<b>LONG-TERM ASSETS</b>		<b>344,855,008,620</b>	<b>343,691,342,534</b>
210	Long-term receivables		1,373,260,000	1,373,260,000
216	Other long-term receivables	7(b)	1,373,260,000	1,373,260,000
220	<b>Fixed assets</b>		<b>2,272,929,298</b>	<b>1,224,920,988</b>
221	Tangible fixed assets	11(a)	2,148,283,105	1,147,731,544
222	Historical cost		9,927,083,207	8,434,951,389
223	Accumulated depreciation		(7,778,800,102)	(7,287,219,845)
227	Intangible fixed assets	11(b)	124,646,193	77,189,444
228	Historical cost		2,164,197,218	2,093,356,260
229	Accumulated amortisation		(2,039,551,025)	(2,016,166,816)
240	<b>Long-term assets in progress</b>		<b>26,800,802,012</b>	<b>26,815,802,012</b>
242	Construction in progress	12	26,800,802,012	26,815,802,012
250	<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
260	<b>Other long-term assets</b>		<b>2,597,111,194</b>	<b>2,466,453,418</b>
261	Long-term prepaid expenses	10	177,777,776	
262	Deferred income tax assets	22	2,419,333,418	2,466,453,418
270	<b>TOTAL ASSETS</b>		<b>761,029,561,855</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	
			30.09.2023 VND	31.12.2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>384,945,716,343</b>	<b>506,214,244,523</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>384,945,716,343</b>	<b>504,101,832,773</b>
311	Short-term trade accounts payable	13	233,344,837,269	236,101,933,055
312	Short-term advances from customers	14	28,387,052,960	47,506,984,335
313	Tax and other payables to the State			
		15(b)	822,438,263	11,659,597,115
314	Payables to employees	16	985,528,125	1,120,761,814
315	Short-term accrued expenses	17	28,892,082,689	31,403,494,219
319	Other short-term payables	18	16,250,298,758	16,855,181,944
320	Short-term borrowings	19	68,487,131,294	153,525,409,233
321	Provision for short-term liabilities	20(a)	280,894,525	480,830,348
322	Bonus and welfare funds	21	4,755,640,710	5,447,640,710
<b>330</b>	<b>Long-term liabilities</b>		<b>2,739,811,750</b>	<b>2,112,411,750</b>
338	Long-term loans		863,000,000	-
342	Provision for long-term liabilities	20(b)	1,876,811,750	2,112,411,750
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>376,083,845,512</b>	<b>375,438,885,697</b>
<b>410</b>	<b>Capital and reserves</b>		<b>376,083,845,512</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	43,942,854,963	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		644,959,814	(21,212,078,515)
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>761,029,561,855</b>	<b>881,653,130,220</b>

  
 \_\_\_\_\_  
 Nguyen Thanh Hao  
 Preparer

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

  
 \_\_\_\_\_  
 Vu Xuan Thuc  
 Chief Executive Officer  
 30 October 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 30 September		Accumulated nine-month period ended 30 September	
			2023	2022	2023	2022
			VND	VND	VND	VND
01	Revenue from sales of goods and rendering of services		30,174,237,684	8,917,921,863	75,566,638,684	26,618,386,667
10	Net revenue from sales of goods and rendering of services	26	30,174,237,684	8,917,921,863	75,566,638,684	26,618,386,667
11	Cost of goods sold and services rendered	27	(25,943,176,678)	(8,646,206,805)	(62,334,948,852)	(18,368,139,338)
20	Gross (loss)/profit from sales of goods and rendering of services		4,231,061,006	271,715,058	13,231,689,832	8,250,247,329
21	Financial income	28	3,672,231,650	3,147,450,359	13,209,286,803	207,818,932,015
22	Financial expenses	29	(2,490,501,479)	(3,153,656,686)	(9,759,160,930)	(19,759,190,193)
23	- Including: Interest expense	29	(2,406,811,585)	(3,153,656,686)	(8,897,049,525)	(11,962,403,876)
26	General and administration expenses	30	(5,802,041,072)	(19,521,644)	(16,757,603,485)	(53,720,883,820)
30	Net operating (loss)/profit		(389,249,895)	245,987,087	(75,787,780)	142,589,105,331
31	Other income	31	969,922,379	1,391,472,873	1,861,383,433	2,155,717,430
32	Other expenses	31	(32,667,993)	(1,314,796,625)	(195,319,310)	(2,097,507,601)
40	Net other income		937,254,386	76,676,248	1,666,064,123	58,209,829
50	Net accounting (loss)/profit before tax		548,004,491	322,663,335	1,590,276,342	142,647,315,160
51	Corporate income tax ("CIT") - current	32	(357,853,830)	(127,811,381)	(898,196,528)	(34,469,623,565)
52	CIT - deferred	32	-	-	(47,120,000)	(24,738,000)
60	Net (loss)/profit after tax		190,150,662	194,851,954	644,959,814	108,152,953,595

  
 Nguyen Thanh Hao  
 Preparer

  
 Dinh Ngoc Trien  
 Chief Accountant

  
 Vu Xuan Thuc  
 Chief Executive Officer  
 30 October 2023

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**SEPARATE CASH FLOW STATEMENT**  
**(Indirect method)**

		For the nine-month period ended 30 September	
Code	Note	2023 VND	2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net accounting (loss)/profit before tax	1,590,276,343	142,647,315,160
	Adjustments for:		
02	Depreciation and amortisation	514,964,466	393,693,163
03	Provisions/(reversal of provisions)	268,884,907	18,267,306,361
04	Unrealised foreign exchange losses/(gains)	862,032,426	49,048,224
05	Profits from investing activities	(13,209,286,803)	(198,996,455,676)
06	Interest expense	8,897,049,525	11,962,403,876
08	Operating loss before changes in working capital	(1,076,079,136)	(25,676,688,892)
09	Increase, decrease in receivables	28,541,049,521	176,993,658,809
10	Increase, decrease in inventories	1,665,515,061	(8,550,461,154)
11	Increase, decrease in payables	(26,186,373,210)	(91,213,569,102)
12	Increase, decrease in prepaid expenses	(316,762,317)	(2,894,103,673)
14	Interest paid	(8,783,580,707)	(11,234,510,657)
15	CIT paid	(11,653,038,979)	(2,867,318,718)
17	Other payments on operating activities	(927,600,000)	(7,901,611,084)
20	Net cash inflows from operating activities	(18,736,869,768)	26,655,395,529
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(1,547,972,776)	(37,500,000)
22	Proceeds from disposals of fixed assets	-	-
23	Loan granted, term deposits at banks and purchases of bonds of other entities	45,100,000,000	(264,491,878,384)
24	Collection of loans, term deposits at banks and proceeds from sales of bonds of other entities	-	259,593,878,384
25	Investments in other entities	-	-
26	Proceeds from divestment in associate and other entities	-	52,392,880,000
27	Dividends and interest received	9,978,388,009	207,227,502,799
30	Net cash inflows/(outflows) from investing activities	53,530,415,233	254,684,882,799
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	92,031,856,586	132,642,789,650
34	Repayments of borrowings	(176,207,134,525)	(259,352,729,702)
40	Net cash outflows from financing activities	(84,175,277,939)	(126,709,940,052)
50	Net increase/(decrease) in cash	(49,381,732,474)	154,630,338,276
60	Cash and cash equivalents at beginning of period	102,022,909,317	18,248,461,423
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of period	52,641,177,343	172,878,799,699

\_\_\_\_\_  
 Nguyen Thanh Hao  
 Preparer

\_\_\_\_\_  
 Dinh Ngoc Tien  
 Chief Accountant



\_\_\_\_\_  
 Vu Xuan Thuc  
 Chief Executive Officer  
 30 October 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 30 SEPTEMBER 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 30 September 2023, the Company had 26 employees (as at 31 December 2022: 29 employees).

## 1 GENERAL INFORMATION (continued)

As at 30 September 2023 and 31 March 2023, the Company had subsidiaries and associates as follows:

Principal activities	Place of incorporation and operation	30.09.2023		31.12.2022		
		Ownership (%)	Voting rights (%)	Ownership (%)	Voting rights (%)	
Direct subsidiaries						
Searefeco Engineering and Construction Joint Stock Company ("Searefeco 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	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



## **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 30 September 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

	30.09.2023 VND	31.12.2022 VND
Cash in bank	5.341.177.343	839,234,784
Cash equivalents (*)	47.300.000.000	101,183,675,033
Total	<u>52.641.177.343</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

	30.09.2023		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 (*)	-	-	110,000,000,000	110,000,000,000

(\*) Included in the balance as at 30 September 2023 and 31 December 2022 are VND 0billion 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

	30.09.2023		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
Total	308,354,188,754		308,354,188,754	
<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
Total	3,456,717,362		3,456,717,362	

For the investments in Searefico E&C, Seareal, Arico, Inwatek and Formtek, as at 30 September 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

	30.09.2023 VND	31.12.2022 VND
Third parties	292,590,456,032	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>	18,988,743,960	21,888,743,960
<i>Hai Dang Real Estate Investment Joint Stock Company</i>	276,755,565	4,179,948,608
<i>Others</i>	154,373,491,724	147,641,533,910
Related parties (Note 34(b))	14,043,380,152	14,043,380,152
Total	<u>306,633,836,184</u>	<u>306,705,071,413</u>

As at 30 September 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

	30.09.2023 VND	31.12.2022 VND
Third parties	13,183,929,132	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>	7,623,827,218	8,222,010,858
Related parties (Note 34(b))	200,999,662	701,630,100
Total	<u>13,384,928,794</u>	<u>14,382,858,944</u>

## 7 OTHER RECEIVABLES

## (a) Short-term

	30.09.2023 VND	31.12.2022 VND
Third parties	11,999,213,883	6,971,240,495
<i>Interest income receivable from banks</i>	6,117,624,820	2,886,726,026
<i>Other receivables from employees</i>	2,461,397,620	2,787,990,146
<i>Deposits</i>	779,773,376	820,723,376
<i>Others</i>	2,640,418,067	475,800,947
Related parties (Note 34(b))	17,779,192,135	14,462,740,857
Total	<u>29,778,406,018</u>	<u>21,433,981,352</u>

## (b) Long-term

The balance represents long-term deposits and guarantees.

As at 30 September 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

	30.09.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Receivables that were past due	122,720,663,735	(96,658,118,728)	122,720,663,735	(96,389,233,821)
<i>Industrial Construction</i>	84,360,709,259	(84,360,709,259)	84,360,709,259	(84,360,709,259)
<i>Join Stock Company</i>				
<i>Others</i>	38,359,954,476	(12,297,409,469)	38,359,954,476	(12,028,524,562)

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

	Nine-month period ended 30.09.2023 VND	Year ended 31.12.2022 VND
Beginning of year	96,389,233,821	19,373,845,772
Provision/(reversal of provision)	268,884,907	77,015,388,049
Write-off	-	-
End of year	<u>96,658,118,728</u>	<u>96,389,233,821</u>



## 9 INVENTORIES

	30.09.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress	28.316.279.220	-	29,981,794,281	-
Total	<u>28.316.279.220</u>	<u>-</u>	<u>29,981,794,281</u>	<u>-</u>

## 10 PREPAID EXPENSES

	30.09.2023 VND	31.12.2022 VND
<b>Short-term</b>		
Insurance expenses	-	251,663,171
Others	1,152,465,091	761,817,379
Total	<u>1,152,465,091</u>	<u>1,013,480,550</u>
<b>Long-term</b>		
Others	177,777,776	-
Total	<u>177,777,776</u>	<u>-</u>
Total prepaid expenses	<u>1,330,242,867</u>	<u>1,013,480,550</u>

Movements in prepaid expenses during the year are as follows:

	Nine-month period ended 30.09.2023 VND	Year ended 31.12.2022 VND
Beginning of year	1,013,480,550	877,263,088
Increase	2,067,156,314	6,714,621,883
Allocation	(1,750,393,997)	(6,578,404,421)
Others	-	-
End of year	<u>1,330,242,867</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	-	1,399,131,818	93,000,000	1,492,131,818
As at 30 September 2023	<u>905,563,170</u>	<u>5,552,124,545</u>	<u>3,469,395,492</u>	<u>9,927,083,207</u>
<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	10,732,233	231,018,637	249,829,387	491,580,257
As at 30 September 2023	<u>904,546,523</u>	<u>3,917,802,662</u>	<u>2,956,450,917</u>	<u>7,778,800,102</u>
<b>Net book value</b>				
As at 1 January 2023	<u>11,748,880</u>	<u>466,208,702</u>	<u>669,773,962</u>	<u>1,147,731,544</u>
As at 30 September 2023	<u>1,016,647</u>	<u>1,634,321,883</u>	<u>512,944,575</u>	<u>898,220,455</u>

## 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	70,840,958	-
As at 30 September 2023	<u>2,164,197,218</u>	<u>2,093,356,260</u>
<b>Accumulated amortisation</b>		
As at 1 January 2023	2,016,166,816	2,016,166,816
Charge for the year	23,384,209	13,621,668
As at 30 September 2023	<u>2,039,551,025</u>	<u>2,029,788,484</u>
<b>Net book value</b>		
As at 1 January 2023	<u>77,189,444</u>	<u>77,189,444</u>
As at 30 September 2023	<u>124,646,193</u>	<u>63,567,776</u>

## 12 CONSTRUCTION IN PROGRESS

	30.09.2023 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	31,000,000	46,000,000
Total	<u>26,800,802,012</u>	<u>26,815,802,012</u>

**12 CONSTRUCTION IN PROGRESS (continued)**

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

	Nine-month period ended 30.09.2023 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	(46,000,000)	(2,504,971,405)
Write-offs	-	(528,730,000)
End of year	<u>26,800,802,012</u>	<u>26,815,802,012</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	30.09.2023		31.12.2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	127,828,175,379	127,828,175,379	127,913,447,905	127,913,447,905
<i>Company Building and Construction</i>				
<i>Electrical The Minh</i>	11,431,998,155	11,431,998,155	13,378,303,958	13,378,303,958
<i>System Logistic Spa</i>	14,860,987,960	14,860,987,960	4,560,223,035	4,560,223,035
<i>Others</i>	101,535,189,264	101,535,189,264	109,974,920,912	109,974,920,912
Related parties (Note 34(b))	105,516,661,890	105,516,661,890	108,188,485,150	108,188,485,150
Total	<u>233,344,837,269</u>	<u>233,344,837,269</u>	<u>236,101,933,055</u>	<u>236,101,933,055</u>

As at 30 September 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**

	30.09.2023 VND	31.12.2022 VND
Third parties	26,518,052,960	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>	2,384,438,839	5,517,666,000
<i>Saigon - Cam Ranh Joint Stock Company</i>	4,758,953,650	4,758,953,650
<i>Dat Phuoc Investment Joint Stock Company</i>	-	4,541,919,107
<i>Others</i>	4,866,175,398	8,451,862,571
Related parties (Note 34(b))	1,869,000,000	5,269,000,000
Total	<u>28,387,052,960</u>	<u>47,506,984,335</u>

## 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 30.09.2023 VND
(a) Tax receivables				
VAT input deductible	7,700,434,146	5,664,475,423	(5,409,902,722)	7,445,861,445
Import tax	10,491,004	-	(10,491,004)	-
Personal income tax		79,717,868	-	79,717,868
Total	<u>7,710,925,150</u>	<u>5,754,684,295</u>	<u>(5,409,902,722)</u>	<u>7,445,861,445</u>
(b) Tax payables				
CIT	11,571,758,114	898,196,528	11,653,038,979	816,915,663
Personal income tax	68,502,126	1,328,836,995	1,471,534,389	5,522,600
VAT on domestic sales	19,336,875	4,467,374,113	5,743,538,639	-
VAT on importation	-	59,209,916	59,209,916	-
Import tax	-	34,472,715	34,472,715	-
Business license tax	-	4,000,000	4,000,000	-
Total	<u>11,659,597,115</u>	<u>6,788,090,267</u>	<u>18,961,794,638</u>	<u>822,438,263</u>

**16 PAYABLES TO EMPLOYEES**

Payables to employees represent the amount payable to employees in relation to the remuneration as at 30 September 2023 and at 31 December 2022.

**17 SHORT-TERM ACCRUED EXPENSES**

	30.09.2023 VND	31.12.2022 VND
Accrued project costs	28,124,352,885	29,689,405,471
Interest expense	213,298,934	99,830,116
Others	554,430,870	1,614,258,632
Total	<u>28,892,082,689</u>	<u>31,403,494,219</u>

**18 OTHER PAYABLES**

	30.09.2023 VND	31.12.2022 VND
Third parties	13,045,199,057	13,500,148,577
<i>Payables to construction teams</i>	6,251,058,656	8,983,558,946
<i>Unemployment allowances</i>	1,876,811,750	2,229,631,649
<i>Social, health and unemployment insurance and trade union fees</i>	900,327,903	851,759,193
<i>Dividends payable</i>	596,400,800	596,400,800
<i>Others</i>	2,779,831,799	838,797,989
Related parties (Note 34(b))	3,420,599,948	3,355,033,367
Total	<u>16,250,298,758</u>	<u>16,855,181,944</u>

**19 SHORT-TERM BORROWINGS**

	As at 1.1.2023 VND Carrying value (Able-to-pay amount)	Increase VND	Decrease VND	As at 30.09.2023 VND Carrying value (Able-to-pay amount)
Bank loans (i)	120,876,528,800	76,663,596,245	(167,956,134,525)	29,583,990,520
Borrowings from related parties (Note 34(b))	32,648,880,433	13,929,260,341	(7,939,000,000)	38,639,140,774
Total	<u>153,525,409,233</u>	<u>90,592,856,586</u>	<u>(175,895,134,525)</u>	<u>68,223,131,294</u>



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

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

	30.09.2023 VND	31.12.2022 VND
Bank for Investment and Development of Vietnam	-	109,931,006,595
Vietnam Maritime Commercial Joint Stock Bank	9,756,986,210	8,945,522,205
Joint Stock Commercial Bank for Foreign Trade of Vietnam	19,827,004,310	-
Military Commercial Joint Stock Bank	-	2,000,000,000
	<hr/>	<hr/>
Total	29,583,990,520	120,876,528,800
	<hr/>	<hr/>

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

	Nine-month period ended 30.09.2023 VND	Year ended 31.12.2022 VND
Beginning of year	480,830,348	606,161,130
Provision	-	24,000,000
Utilisation and reversal	(199,935,823)	(149,330,782)
	<hr/>	<hr/>
End of year	280,894,525	480,830,348
	<hr/>	<hr/>

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 30 September 2023 and at 31 December 2022.

## 21 BONUS AND WELFARE FUND

	Nine-month period ended 30.09.2023 VND	Year ended 31.12.2022 VND
Beginning of year	5,447,640,710	11,194,411,261
Increase during the year	-	1,754,130,533
Utilisation during the year	(692,000,000)	(7,500,901,084)
End of year	<u>4,755,640,710</u>	<u>5,447,640,710</u>

## 22 DEFERRED INCOME TAX ASSETS

	30.09.2023 VND	31.12.2022 VND
Deferred tax assets to be recovered after more than 12 months	2,419,333,418	1,737,628,500
Deferred tax assets to be recovered within 12 months	-	728,824,918
Total	<u>2,419,333,418</u>	<u>2,466,453,418</u>

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

	Nine-month period ended 30.09.2023 VND	Year ended 31.12.2022 VND
Beginning of year	2,466,453,418	3,107,473,556
Income statement (charge)/credit (Note 33)	(47,120,000)	(641,020,138)
End of year	<u>2,419,333,418</u>	<u>2,466,453,418</u>

Details of deferred tax assets are as follows:

	30.09.2023 VND	31.12.2022 VND
Deductible temporary differences in relation to accrued expenses and long-term provisions	849,077,741	896,197,741
Interest expenses excess of 30% EBITDA	1,570,255,677	1,570,255,677
Total	<u>2,419,333,418</u>	<u>2,466,453,418</u>

The Company uses tax rate of 20% in the year for determining deferred tax assets (2022: 20%).



## 23 OWNERS' CAPITAL

## (a) Number of shares

	30.09.2023	31.12.2022
Number of shares registered	<u>35,566,780</u>	<u>35,566,780</u>
Number of shares issued	35,566,780	35,566,780
Number of shares repurchased	<u>(1,780,000)</u>	<u>(1,780,000)</u>
Number of existing shares in circulation	<u>33,786,780</u>	<u>33,786,780</u>

## (b) Details of owners' shareholding

	30.09.2023		31.12.2022	
	Ordinary shares	%	Ordinary shares	%
Taisei Oncho Co., Ltd	8,909,456	25.05	8,909,456	25.05
Sanyo Engineering & Construction Vietnam Co., Ltd.	7,150,000	20.10	7,150,000	20.10
Vietnam Seaproducts Joint Stock Corporation	4,567,200	12.85	4,567,200	12.85
Other shareholders	13,160,124	37.00	13,160,124	37.00
Treasury shares	<u>1,780,000</u>	<u>5.00</u>	<u>1,780,000</u>	<u>5.00</u>
Number of shares	<u>35,566,780</u>	<u>100.00</u>	<u>35,566,780</u>	<u>100.00</u>

## (c) Movement of owners' capital

	Ordinary shares	
	Shares	VND
As at 1 January 2023	35,566,780	355,667,800,000
New shares issued	<u>-</u>	<u>-</u>
As at 30 September 2023	<u>35,566,780</u>	<u>355,667,800,000</u>

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	398,405,094,745
Net profit for the year	-	-	-	-	(21,212,078,515)	(21,212,078,515)
Appropriation to bonus and welfare funds	-	-	-	-	(1,754,130,533)	(1,754,130,533)
As at 31 December 2022	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	43,297,895,148	375,438,885,697
Net loss for the year	-	-	-	-	644,959,815	644,959,815
Appropriation to bonus and welfare funds	-	-	-	-	-	-
As at 30 September 2023	355,667,800,000	284,019,059	(29,238,407,099)	5,427,578,589	43,942,854,963	376,083,845,512

(\*) 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

	Nine-month period ended 30.09.2023 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 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Net revenue from construction contracts	23,779,983,948	5,294,885,475	60,166,300,526	18,142,894,416
Net revenue from management service	6,177,359,275	3,548,136,388	14,893,060,384	8,355,355,402
Net revenue from sales of goods	216,894,461	74,900,000	507,277,774	120,136,849
Total	<u>30,174,237,684</u>	<u>8,917,921,863</u>	<u>75,566,638,684</u>	<u>26,618,386,667</u>

## 27 COST OF GOODS SOLD AND SERVICES RENDERED

	Three-month period ended 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Cost of construction contracts	26,523,943,304	8,571,306,805	62,044,565,539	18,248,002,489
Cost of goods sold	-	74,900,000	290,383,313	120,136,849
Total	<u>26,523,943,304</u>	<u>5,296,473,111</u>	<u>62,334,948,852</u>	<u>18,368,139,338</u>

## 28 FINANCIAL INCOME

	Three-month period ended 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Interest income from deposits	3,672,231,650	2,711,092,954	13,209,286,803	6,198,318,602
Income from divestment from an associate	-	-	-	195,592,320,000
Dividends	-	-	-	1,008,000,000
Realised foreign exchange gains	-	89,838,481	-	1,164,576,727
Other financial revenue	-	346,518,924	-	3,855,716,686
Total	<u>3,672,231,650</u>	<u>3,147,450,359</u>	<u>13,209,286,803</u>	<u>207,818,932,015</u>

## 29 FINANCIAL EXPENSES

	Three-month period ended 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Interest expense	2,406,811,585	3,153,656,686	8,897,049,525	11,962,403,876
Expenses for divestment from associate	83,689,894	-	862,111,405	138,886,705
Realised foreign exchange losses	-	-	-	7,657,899,612
Total	<u>2,490,501,479</u>	<u>3,153,656,686</u>	<u>9,759,160,930</u>	<u>19,759,190,193</u>

## 30 GENERAL AND ADMINISTRATION EXPENSES

	Three-month period ended 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Staff costs	3,703,377,943	4,577,332,813	11,204,301,006	28,018,960,865
Outside service expenses	1,544,443,963	2,207,630,627	4,458,580,970	6,945,407,576
Depreciation and amortisation	172,781,708	126,431,483	521,232,233	379,796,470
Others	112,552,551	52,855,369	304,604,369	133,412,548
Provision/(reversal of provision) for doubtful debts	268,884,907	(6,944,728,648)	268,884,907	18,243,306,361
Total	<u>5,802,041,072</u>	<u>6,774,842,211</u>	<u>16,757,603,485</u>	<u>53,720,883,820</u>



## 31 OTHER INCOME AND OTHER EXPENSES

	Three-month period ended 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Other income				
Others	969,922,379	1,391,472,873	1,861,383,433	2,155,717,430
Total	<u>969,922,379</u>	<u>1,391,472,873</u>	<u>1,861,383,433</u>	<u>2,155,717,430</u>
Other expenses				
Others	32,667,993	1,314,796,625	195,319,310	2,097,507,601
Total	<u>32,667,993</u>	<u>1,314,796,625</u>	<u>195,319,310</u>	<u>2,097,507,601</u>
Net other income	<u>937,254,386</u>	<u>76,676,248</u>	<u>1,666,064,123</u>	<u>58,209,829</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 30 September		Accumulated nine-month period ended 30 September	
	2023 VND	2022 VND	2023 VND	2022 VND
Net accounting (loss)/profit before tax	548,004,491	322,663,335	1,590,276,343	142,324,651,825
Adjustments:				
Expenses not deductible for tax purposes	70,411,093	-	168,462,666	1,027,904,126
Temporary differences	235,600,000	-	(235,600,000)	(123,690,000)
Non-taxable income	-	-	-	(1,008,000,000)
Tax losses in subsidiaries for which no deferred income tax asset for recognized	-	-	-	-
Estimated taxable profit	<u>854,015,584</u>	<u>322,663,335</u>	<u>1,758,739,009</u>	<u>142,543,529,286</u>
Estimated CIT payable	357,853,829	-	887,923,565	33,556,629,660
Adjustment of CIT	<u>-</u>	<u>127,811,381</u>	<u>10,272,963</u>	<u>912,993,905</u>
Charged/(credited) to income statement:				
CIT – current	357,853,829	127,811,381	540,342,698	34,469,623,565
CIT – deferred (Note 22)	-	-	47,120,000	24,738,000
CIT charge (*)	<u>357,853,829</u>	<u>127,811,381</u>	<u>945,316,527</u>	<u>34,494,361,565</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.

	Nine-month ended 30 September 2023			
	Constructions	Sales of goods	Management services	Total
	VND	VND	VND	VND
Net sales	63,506,692,466	507,277,774	11,552,668,444	75,566,638,684
Cost of sales	61,827,671,078	507,277,774	-	62,334,948,852
Gross profit/(loss)	1,679,021,388	-	11,552,668,444	13,231,689,832

	Nine-month ended 30 September 2022			
	Constructions	Sales of goods	Management services	Total
	VND	VND	VND	VND
Net sales	20,482,030,063	120,136,849	6,016,219,755	26,618,386,667
Cost of sales	18,248,002,489	120,136,849	-	18,368,139,338
Gross profit	2,234,027,574	-	6,016,219,755	8,250,247,329

*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	Nine-month period ended 30 September	
			2023	2022
			VND	VND
i) Sales of goods and services				
Searefco E&C	Subsidiary	Management service	10,161,128,463	2,332,556,978
Arico	Subsidiary	Management service	3,872,161,846	1,844,343,713
Searee	Subsidiary	Management service	218,859,489	630,318,323
		Total	14,252,149,798	4,807,219,014

## 34 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

		Nine-month period ended 30 September	
		2023	2022
		VND	VND
iv) <i>The salary and remuneration of key management</i>			
Remuneration of the Board of Directors		1,593,000,000	1,440,000,000
Mr. Le Tan Phuoc		378,000,000	315,000,000
Mr. Nguyen Huu Thinh		225,000,000	225,000,000
Mr. Ryota Fukuda		225,000,000	225,000,000
Mr. Yoshihiko Shiotsugu		225,000,000	-
Mr. Nishi Masayuki		-	225,000,000
Mr. Le Quang Phuc		270,000,000	225,000,000
Mr. Pham Kyle Anh Tuan		270,000,000	175,000,000
Mr. Lee Men Leng		-	50,000,000
Salaries and benefits of Board of Management		3,135,536,426	4,995,251,114
Mr. Vu Xuan Thuc		984,346,799	114,692,692
Mr. Tran Dinh Muoi		921,538,217	907,977,778
Mr. Dinh Ngoc Trien		540,543,484	62,971,539
Mr. Nguyen Quoc Cuong		228,699,913	251,458,400
Ms. Huynh Nhu Phuong		460,408,013	287,963,613
Mrs. Nguyen Thi Thanh Huong		-	676,136,364
Mr. Pham Ngoc Son		-	767,224,578
Mr. Huynh Khoi Binh		-	87,713,500
Mr. Phan Thanh Long		-	848,623,989
Mr. Vuong Tran Quoc Thanh		-	562,481,624
Total		4,728,536,426	6,435,251,114

## (b) Year end balances with related parties

Related party	Relationship	Nature of transaction	30.09.2023 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
Searefco E&C	Subsidiary	Construction services	82,390,000	82,390,000
Searee	Subsidiary	Construction services	-	-
Greepan	Subsidiary	Other services	-	-
Total			14,043,380,152	14,043,380,152
<b>Short-term prepayments to suppliers (Note 6)</b>				
Searee	Subsidiary	Construction services	-	701,630,100
Total			-	701,630,100

## 34 RELATED PARTY DISCLOSURES (continued)

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

Related party	Relationship	Nature of transaction	30.09.2023 VND	31.12.2022 VND
<b>Short-term lendings</b>				
Arico	Subsidiary	Lending	40,000,000,000	22,000,000,000
Greenpan	Subsidiary	Lending	13,200,000,000	10,000,000,000
Searefico E&C	Subsidiary	Lending	20,200,000,000	9,100,000,000
		Total	<u>73,400,000,000</u>	<u>41,000,000,000</u>
<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	4,321,854,544	92,157,513
Searefico E&C	Subsidiary	Other services	9,113,746,401	9,498,702,352
Searee	Subsidiary	Other services	204,099,017	406,383,446
Inwatek	Related party	Interest income	658,643,288	658,643,288
Phoenix	Subsidiary	Other services	544,258,657	246,172,885
Greenpan	Subsidiary	Other services	111,734,000	25,920,000
Members of the Board of Directors, Board of Management		Others	-	-
		Total	<u>15,980,749,434</u>	<u>11,954,393,011</u>
<b>Short-term trade accounts payable (Note 13)</b>				
Searee	Subsidiary	Construction services	10,086,717,834	27,251,992,895
Searefico E&C	Subsidiary	Construction services	70,417,931,562	80,936,492,255
		Total	<u>80,504,649,396</u>	<u>108,188,485,150</u>
<b>Short-term advances from customers (Note 14)</b>				
Searefico E&C	Subsidiary	Construction services	<u>1,869,000,000</u>	<u>5,269,000,000</u>
<b>Other short-term payables (Note 18(a))</b>				
Arico	Subsidiary	Interest expenses	243,000,000	2,465,059,891
Searefico E&C	Subsidiary	Payment on behalf	2,846,099,701	562,842,226
Greenpan	Subsidiary	Interest expenses	116,000,000	-
Members of the Board of Management		Others	-	327,131,250
		Total	<u>3,205,099,701</u>	<u>3,355,033,367</u>



## 34 RELATED PARTY DISCLOSURES (continued)

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

Related party	Relationship	Nature of transaction	30.09.2023 VND	31.12.2022 VND
Short-term borrowings (Note 19)				
Searefico E&C	Subsidiary	Borrowing	25,808,580,433	23,028,380,433
Searee	Subsidiary	Borrowing	12,350,560,341	9,620,500,000
			480,000,000	-
		Total	38,639,140,774	32,648,880,433

The separate financial statements were approved by the Board of Management on 30 October 2023.



Nguyen Thanh Hao  
Preparer



Dinh Ngoc Trien  
Chief Accountant



Vũ Xuân Thục  
Chief Executive Officer