

577 INVESTMENT CORPORATION
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of 577 Investment Corporation ("the Company") presents this report together with consolidated financial statements of the Company for the year ended 31 December 2022.

THE BOARDS OF MANAGEMENT, SUPERVISORY AND GENERAL DIRECTORS

The members of the Boards of Management, Supervisory and General Directors of the Company during the year and to the date of this report are as follows:

Board of Management

Mr. Luu Hai Ca	Chairman
Mr. Le Quoc Binh	Permanent Vice Chairman
Ms. Nguyen Quynh Huong	Member
Mr. Nguyen Van Chinh	Member
Mr. Nguyen Ba Lan	Member
Mr. Pham Thanh Vu	Independent member
Mr. Doan Tuong Trieu	Member (resigned on 26 April 2022)

Board of Supervisory

Ms. Duong Quynh Diep	Head of the Board
Mr. Le Trung Hieu	Member
Ms. Le Thi Kieu Diem	Member

Board of General Directors

Mr. Nguyen Ba Lan	General Director
Mr. Mai Thanh Truc	Deputy General Director
Mr. Nguyen Quy Binh	Deputy General Director
Mr. Truong Hai Dang Khoa	Deputy General Director (resigned on 30 June 2022)

Legal Representative

The legal representative of the Company for the year and to the date of this report is Mr. Nguyen Ba Lan - The General Director.

THE AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2022 have been audited by International Auditing Company Limited - An independent member firm of AGN International.

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as of 31 December 2022, and consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of General Directors is required to:

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (continued)**BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (continued)**

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Directors,



Nguyen Ba Lan
General Director

Ho Chi Minh City, 27 March 2023

No. 1633/2023/BCKT-ICPA.SG

INDEPENDENT AUDITORS' REPORT

To: The shareholders
The Boards of Management and General Directors
577 Investment Corporation

We have audited the accompanying consolidated financial statements of 577 Investment Corporation ("the Company"), prepared on 27 March 2023, as set out from page 4 to page 53, which comprise the consolidated balance sheet as of 31 December 2022, the consolidated statements of income and consolidated cash flows for the year then ended, and notes to the consolidated financial statements.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of these consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting Regime for enterprise and prevailing relevant regulations in the consolidated financial statements preparation and disclosure and for such internal control as the Board of General Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the consolidated financial position of the Company as of 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Luong Xuan Truong
Branch Director
Audit Practising Registration Certificate
No. 1741-2023-072-1

Tran Thi Xuan Tuoc
Auditor
Audit Practising Registration Certificate
No. N.4184-2022-072-1

Ho Chi Minh City, 27 March 2023

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

Unit: VND

ASSETS	Codes	Notes	31/12/2022	01/01/2022
A. CURRENT ASSETS	100		2,806,084,422,141	1,773,894,194,316
I. Cash and cash equivalents	110		12,148,248,353	30,190,337,086
1. Cash	111	V.1	12,148,248,353	30,190,337,086
II. Short-term receivables	130		1,392,575,890,115	780,438,620,716
1. Short-term trade receivables	131	V.2	353,430,869,507	302,494,036,540
2. Short-term advances to suppliers	132	V.3	846,360,646,932	333,692,653,776
3. Short-term loan receivables	135	V.4	2,300,000,000	2,300,000,000
4. Other short-term receivables	136	V.5	239,125,256,256	177,371,407,620
5. Provision for short-term doubtful debts	137	V.6	(48,640,882,580)	(35,419,477,220)
III. Inventories	140	V.7	1,355,529,998,264	931,327,870,572
1. Inventories	141		1,355,529,998,264	931,327,870,572
IV. Other short-term assets	150		45,830,285,409	31,937,365,942
1. Short-term prepayments	151	V.8	29,577,185	22,361,483
2. Value added tax deductibles	152		45,800,708,224	29,143,492,487
3. Taxes and other receivables from the State budget	153	V.17	-	2,771,511,972

CONSOLIDATED BALANCE SHEET (continued)

As at 31 December 2022

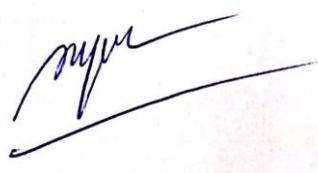
Unit: VND

ASSETS	Codes	Notes	31/12/2022	01/01/2022
B. NON-CURRENT ASSETS	200		3,581,171,900,486	2,599,759,787,000
I. Long-term receivables	210		1,587,155,078,800	605,251,112,951
1. Long-term loan receivables	215	V.4	-	562,911,347,948
2. Other long-term receivables	216	V.5	1,587,155,078,800	42,339,765,003
II. Fixed assets	220		246,126,127,391	221,363,570,050
1. Tangible fixed assets	221	V.9	213,300,923,933	189,875,063,839
- Cost	222		253,504,678,990	222,725,972,979
- Accumulated depreciation	223		(40,203,755,057)	(32,850,909,140)
2. Intangible fixed assets	227	V.10	32,825,203,458	31,488,506,211
- Cost	228		33,132,758,452	31,646,927,986
- Accumulated amortisation	229		(307,554,994)	(158,421,775)
III. Investment properties	230	V.11	10,144,146,110	55,766,254,435
- Cost	231		14,719,606,029	71,176,150,497
- Accumulated depreciation	232		(4,575,459,919)	(15,409,896,062)
IV. Long-term assets in progress	240		1,606,617,757,413	1,595,707,989,463
1. Long-term construction in progress	242	V.12	1,606,617,757,413	1,595,707,989,463
V. Long-term financial investments	250	V.13	16,150,000,000	16,150,000,000
1. Equity investments in other entities	253	V.13	18,150,000,000	18,150,000,000
2. Provision for impairment of long-term financial investments	254	V.13	(2,000,000,000)	(2,000,000,000)
VI. Other long-term assets	260		114,978,790,772	105,520,860,101
1. Long-term prepayments	261	V.8	109,622,704,352	101,207,075,475
2. Deferred tax assets	262	V.14	5,356,086,420	4,313,784,626
TOTAL ASSETS (270 = 100 + 200)	270		6,387,256,322,627	4,373,653,981,316

CONSOLIDATED BALANCE SHEET (continued)
As at 31 December 2022

Unit: VND

RESOURCES	Codes	Notes	31/12/2022	01/01/2022
C. LIABILITIES	300		4,567,447,492,416	2,543,451,546,798
I. Current liabilities	310		1,884,476,593,967	2,181,867,086,547
1. Short-term trade payables	311	V.15	92,397,109,825	85,351,910,000
2. Short-term advances from customers	312	V.16	27,796,563,364	34,066,767,633
3. Taxes and amounts payable to the State budget	313	V.17	131,865,793,625	220,126,571,985
4. Payables to employees	314		3,002,161,649	1,127,035,257
5. Short-term accrued expenses	315	V.18	31,417,883,292	342,093,825,863
6. Other current payables	319	V.19	297,279,337,773	641,273,008,823
7. Short-term loans and obligations under finance leases	320	V.20	971,948,604,185	837,132,014,400
8. Short-term provisions	321	V.21	321,000,000,000	7,272,727,273
9. Bonus and welfare funds	322	V.22	7,769,140,254	13,423,225,313
II. Long-term liabilities	330		2,682,970,898,449	361,584,460,251
1. Other long-term payables	337	V.19	520,642,428,537	7,045,116,036
2. Long-term loans and obligations under finance leases	338	V.20	2,158,200,685,697	350,000,000,000
3. Deferred tax liabilities	341	V.14	786,852,028	786,852,028
4. Long-term provisions	342	V.21	3,340,932,187	3,752,492,187
D. EQUITY	400		1,819,808,830,211	1,830,202,434,518
I. Owner's equity	410	V.23	1,819,808,830,211	1,830,202,434,518
1. Owner's contributed capital	411		1,004,756,560,000	1,004,756,560,000
- Ordinary shares carrying voting rights	411a		1,004,756,560,000	1,004,756,560,000
2. Share premium	412		207,059,165,444	207,059,165,444
3. Treasury shares	415		(7,087,077,763)	(7,087,077,763)
5. Retained earnings	421		608,545,980,580	618,642,613,957
- Retained earnings accumulated to the prior year end	421a		602,542,462,968	304,230,949,178
- Retained earnings of current year	421b		6,003,517,612	314,411,664,779
6. Non-controlling interests	429		6,534,201,950	6,831,172,880
TOTAL RESOURCES (440 = 300 + 400)	440		6,387,256,322,627	4,373,653,981,316


Nguyen Tran Phuong Uyen
Preparer


Nguyen Van Minh
Chief Accountant




Nguyen Ba Lan
General Director

Ho Chi Minh City, 27 March 2023

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Notes	2022	2021
1. Gross revenue from goods sold and services rendered	01	VI.1	466,361,957,012	565,231,601,936
2. Deductions	02		-	-
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		466,361,957,012	565,231,601,936
4. Cost of sales	11	VI.2	239,614,773,428	310,033,364,483
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		226,747,183,584	255,198,237,453
6. Financial income	21	VI.3	151,411,222,870	434,722,605,516
7. Financial expenses	22	VI.4	259,786,006,383	165,859,558,529
- In which: Interest expense	23		170,490,729,603	99,297,320,355
8. Selling expenses	25	VI.5	2,922,155,477	3,081,056,166
9. General and administration expenses	26	VI.6	42,550,206,674	66,459,390,277
10. Operating profit				
[30 = 20 + (21 - 22) + 24 - (25 + 26)]	30		72,900,037,920	454,520,837,997
11. Other income	31	VI.7	2,110,549,456	20,033,705,435
12. Other expenses	32	VI.8	51,360,379,930	53,679,618,679
13. Loss from other activities (40 = 31 - 32)	40		(49,249,830,474)	(33,645,913,244)
14. Accounting profit before tax (50 = 30 + 40)	50		23,650,207,446	420,874,924,753
15. Current corporate income tax expense	51	VI.9	17,515,985,308	110,799,867,482
16. Deferred corporate tax income	52	V.14	(1,042,301,794)	(3,017,559,598)
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		7,176,523,932	313,092,616,869
18. Net profit attributable to owners of the parent	61		6,003,517,612	314,411,664,779
19. Net profit/(loss) attributable to non-controlling interest	62		1,173,006,320	(1,319,047,910)
20. Basic earnings per share	70	VI.10	57	2,978



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Nguyen Ba Lan
General Director

Ho Chi Minh City, 27 March 2023

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	2022	2021
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Accounting profit before tax	01	23,650,207,446	420,874,924,753
2. Adjustments for			
Depreciation of fixed assets, investment properties and amortization of goodwill	02	10,110,019,098	8,872,297,235
Provisions	03	13,221,405,360	33,405,564,434
Gain from investing activities	05	(185,092,271,512)	(61,099,596,370)
Interest expenses	06	170,490,729,603	99,297,320,355
3. Operating profit before movements in working capital	08	32,380,089,995	501,350,510,407
(AIncrease)/Decrease in receivables	09	(576,611,234,343)	179,901,557,410
Increase in inventories	10	(357,400,816,301)	(45,974,752,558)
Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	(681,697,086)	(460,303,270,869)
Increase in prepaid expenses	12	(8,422,844,579)	(41,806,277,928)
Interest paid	14	(124,377,685,966)	(102,197,708,501)
Corporate income tax paid	15	(87,116,768,664)	(100,800,826,053)
Other cash outflows	17	(21,903,446,263)	(33,344,488,293)
Net cash used in operating activities	20	(1,144,134,403,207)	(103,175,256,385)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(3,864,603,378)	(9,870,930,019)
2. Proceeds from sales of fixed assets and other long-term assets disposal	22	82,523,050,257	5,204,090,909
3. Cash outflow for lending and buying debt instruments of other companies	23	(1,150,800,000,000)	(617,300,000,000)
4. Cash recovered from lending and selling debt instruments of other entities	24	147,648,247,018	61,588,652,052
5. Cash recovered from investments in other entities	26	6,105,500,000	38,188,351,642
6. Interest, dividends and profits received	27	101,462,845,095	44,806,135,808
Net cash used in investing activities	30	(816,924,961,008)	(477,383,699,608)

CONSOLIDATED CASH FLOW STATEMENT (continued)

(Indirect method)

For the year ended 31 December 2022

Unit: VND

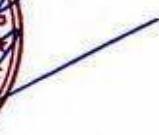
ITEMS	Codes	2022	2021
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	2,145,474,989,702	1,071,163,288,496
2. Repayment of borrowings	34	(202,457,714,220)	(402,715,794,210)
3. Dividends and profits paid	36	-	(125,199,105,600)
Net cash generated from financing activities	40	1,943,017,275,482	543,248,388,686
Net decrease in cash and cash equivalents (50 = 20 + 30 + 40)	50	(18,042,088,733)	(37,310,567,307)
Cash and cash equivalents at the beginning of the year	60	30,190,337,086	67,500,904,393
Cash and cash equivalents at the end of the year (70 = 50 + 60)	70	12,148,248,353	30,190,337,086



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant

Nguyen Ba Lan
General Director

Ho Chi Minh City, 27 March 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

I. GENERAL INFORMATION**Structure of ownership**

577 Investment Corporation (hereinafter referred to as "the Company") was incorporated under the Enterprise Registration Certificate No. 4103003556 issued by the Department of Planning and Investment of Ho Chi Minh City dated 4 July 2005 and the 16th amendment dated 16 September 2022 about the change of personal information of the General Director - the legal representative of the Company.

The charter capital of the Company is VND 1,004,756,560,000, divided equally into 100,475,656 shares with par value of VND 10,000.

On 8 March 2022, Ho Chi Minh City Infrastructure Investment Joint Stock Company (hereinafter referred to as "CII Company") divested a part of its investments and reduced the proportion of ownership interest in the Company below 51%. The Company has became an associate of CII Company since the date.

The English name of the Company: 577 Investment Corporation.

The head office of the Company is located at 1648 Vo Van Kiet, Ward 16, District 8, Ho Chi Minh City, Vietnam.

The Company's shares were officially listed on the Ho Chi Minh City Stock Exchange with the stock code as NBB.

The number of employees of Company and its subsidiaries as of 31 December 2022 were 137 (as of 1 January 2022: 140).

Business sector

The Company operates in the real estate business sector.

Operating industry

The operating industry of the Company consist of developing and trading real estate properties; executing transportation and civil construction, investing in urban infrastructure; exploiting and processing minerals.

Principal activities

The principal activities of the Company during the year comprise of developing and trading real estate properties.

Normal production and business cycle

The average production and business cycle of the Company's real estate sector starts from the time of applying for the investment license, carrying out site clearance and construction until completion. Therefore, the business cycle of the real estate sector is estimated for the period from 24 months to 60 months.

The production and business cycle of other activities of the Company is normally carried out in a period not exceeding 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

I. GENERAL INFORMATION (continued)**The Company's structure**

The Company has invested directly in three (03) subsidiaries and one (01) associate. Details of these investees are as follows:

Names of Companies	Places of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting right (%)	Principal activities
Subsidiaries				
1. Hung Thanh Construction - Trading - Service - Manufacturing Company Limited	Ho Chi Minh City	95.00%	95.00%	Investing, managing and trading real estate projects
2. Huong Tra Company Limited	Quang Ngai Province	99.00%	99.00%	Investing, managing and running Tra Bong mineral water mine
3. Quang Ngai Mineral Investment Joint Stock Company	Quang Ngai Province	90.00%	90.00%	Exploitation of stone, sand, gravel and clay
Associate				
1. Tam Phu Investment & Construction Company Limited	Quang Nam Province	49.00%	49.00%	Real estate business

The Company's dependent accounting branches include:

- Binh Thuan Branch, registered at Group 2, Phuoc Hai Hamlet, Tan Phuoc Commune, Lagi Town, Binh Thuan Province.
- Southwest Branch, registered at 444 Ninh Binh Street, Ward 2 Residential Area, Bac Lieu City, Bac Lieu Province.
- Northern Branch, registered at 2nd Floor, Villa A29, Lot BT-A3, Doi Thuy San Villa area, 9B Area, Bai Chay Ward, Ha Long City, Quang Ninh Province.
- Quang Ngai Branch, registered at 364 Vo Nguyen Giap, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai Province.

Disclosure of information comparability in the consolidated financial statements

The Company has applied consistently Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC guiding the accounting regime for enterprises dated 22 December 2014 issued by the Ministry of Finance, so that the information and accounting data presented on the consolidated financial statements are comparable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

II. ACCOUNTING CONVENTION AND FINANCIAL YEAR
Accounting convention

The accompanying consolidated financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

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

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

III. ACCOUNTING STANDARDS AND REGIME APPLIED

The Board of General Directors ensures to comply with requirements of Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under Circular No. 200/2014/TT-BTC ("Circular 200") dated 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises, and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular No. 200/2014/TT-BTC, and Circular No. 202/2014/TT-BTC ("Circular 202") dated 22 December 2014 guiding the preparing and presenting of the consolidated financial statements, as well as circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of consolidated financial statements.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Board of General Directors 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the Board of General Directors's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporated the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) which were prepared for the year ended 31 December 2022. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Basis of consolidation (continued)**

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the equity of the owners of the parent in the consolidated balance sheet. Non-controlling interests consist of those at the date of initial business combination and the portion of non-controlling interests in changes of total equity since the date of business combination. Losses incurred in a subsidiary must be allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the financial year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Disposal of subsidiary

When the Company loses control over a subsidiary, it shall derecognize assets, liabilities, and non-controlling interests in the former subsidiary, including other equity components at the date of loss control. Gain or loss resulting from the disposal is immediately recognized in the consolidated income statement for the year in which the disposal is taken place.

After partial disposal of a subsidiary, any interest retained in the former subsidiary shall be stated at carrying amount of the retained investment in the separate financial statements and adjusted thereafter for post-acquisition changes in the Company's share of the investee's equity if the former subsidiary is now an associate or shall be stated at cost if the former subsidiary is now an equity investment in another entity.

If the Company had disposed a part of the interest in a subsidiary and directly recognized in retained earnings of the consolidated balance sheet the effects of the transactions and now disposes of further interest in that subsidiary which results in a loss of control, the gain or loss previously recognized retained earnings would be transferred to the consolidated income statement when control is lost.

When the proportion of equity held by the Company in a subsidiary changes without loss of control, the transactions shall be accounted for as equity transactions. The effects of these transactions shall be recognised directly in retained earnings of the consolidated balance sheet, not being recorded in the consolidated income statement for the year in which the transaction occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements by using equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized.

When the Company divests disposes a part of its stake interest in an associate, profit gain or loss from the transactionon the disposal is recognized in the consolidated income statement.

Where a group entity transacts with an associate of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

The financial statements of associates are prepared for the same period as the Company's consolidated financial statements and apply accounting policies consistent with that of the Company. Appropriate consolidation adjustments have been made to ensure the accounting policies are applied consistently with the Company.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill arising on the acquisition of a subsidiary is recognized as a non-current asset in the consolidated balance sheet and is amortized on the straight-line basis over its estimated period of benefit which the maximum estimated period should not exceed 10 years.

On disposal of a subsidiary, the attributable amount of unamortized goodwill included in the determination of the profit or loss on disposal. The Company conducts the periodical review for impairment of goodwill of investments in subsidiaries. If there are indicators that the impairment loss incurred is higher than the periodly allocated amount of goodwill on the straight-line basis, the higher amount will be recognized in the consolidated income statement.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. The Company does not amortize this goodwill.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments, which are matured within three months commencing on transaction date, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for: overdue receivables stated in economic contract, loan agreements, contractual commitments or debt commitments, and outstanding receivables which are doubtful of being recovered. Provision for overdue receivables is made based on overdue days in payment of principals following the initial economic contract, exclusive of the debts rescheduling between contracting parties, provision for outstanding receivables is made when the debtor is in bankruptcy, or is doing procedures to dissolve, missing, escaped.

An increase or decrease in provision for doubtful debts at the closing date is recognized in general and administration expenses in the year.

Loan receivables

Loan receivables present the loans under agreements which are not traded on the market as securities.

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made based on expected losses that may arise.

Inventories
Properties held for sale

Properties held for sale include properties acquired or constructed for sale in the ordinary course of business and shall be measured at the lower of cost and net realisable value. Cost of properties held for sale include freehold and leasehold rights for land, costs of site preparation; construction and borrowing costs, planning and design costs, construction management cost and other related costs (if any) that have been incurred in bringing the inventory property to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, based on market price prevailing at reporting date less costs to completion and estimated costs of sale.

Other inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provision for devaluation of inventories is made in accordance with prevailing accounting regulations which allow provision to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at reporting date. The provision for devaluation of obsolete, damaged, or sub-standard inventories is not included in deductible expenses for calculation of corporate income tax until such inventories are disposed.

An increase or decrease in provision for devaluation of inventories at the closing date is recognized in the cost of sales in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Building and structure	50
Machinery and equipment	4 - 10
Motor vehicle and transmission	6 - 8
Office equipment	3

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognized in the consolidated income statement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The sale and leaseback are made when the fixed asset is sold and leased back to the seller. The difference in the selling price is less than the fair value of the fixed asset in the case of an operating lease, but the rental price is lower than the market rent, which is amortized to consolidated income statement with the lease payment during the lease period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible fixed assets and amortisation

Intangible fixed asset is presented at cost less accumulated amortization. Intangible fixed assets of the Company consist of land use rights with indefinite term and the computer software.

The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use. Land use rights with indefinite term are not amortized.

The costs of computer software comprise their directly attributable costs of bringing the assets to their working condition for their intended use. Computer software is amortized using the straight-line method within 3 years.

Investment properties

Investment properties are composed of fitness room for rent at Diamond Riverside project and and utilities, swimming pool, tennis court in Carina Apartment held by the Company to earn rentals. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives, as follow:

	<u>Years</u>
Fitness room at Diamond Riverside	20
Utilities, swimming pool, tennis cour in Carina Apartment	10 - 30

According to current regulations, no depreciation is recorded for investment properties held for capital appreciation and indefinite-term land use right. Where there is evidence that investment property held for appreciation has declined in value and the impairment can be measured reliably, the impairment loss of the property shall be recognized in cost of sales for the year.

A transfer of property to, or from investment property should only be made when there is a change in the intended use, evidenced by: end of owner-occupation and inception of an operating lease to another party for a transfer from owner-occupied property to investment property; commencement of owner-occupation for a transfer from investment property to owner-occupied property; commencement of development with a view to sale for a transfer from investment property to inventories; commencement of an operating lease to another party for a transfer from inventories to investment property.

Completion of construction and being available for investment for a transfer from self-constructed property to investment property.

The transfer between investment property, owner-occupied property and inventories do not change carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Revenue from the sale of the investment property should be recognized at fair value of the proceeds received or to be received. Cost to sell and net book value of the investment property are recognized as cost of the sale of the investment property in consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Construction in progress**

Properties during construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Equity investments in other entities

Investments in other entities represent the Company's investments in equity of the entities over which the Company has no control, joint control, or significant influence.

Investments in other entities are initially recognized at cost, including the purchase price, capital contribution and any directly attributable transaction costs. Pre-acquisition dividends and profits of the investment are recorded as a reduction in the value of the investment. Post-acquisition dividends and profits are recognized as revenue. When the investors receive stock dividends, they only record the number of additional shares, not recording an increase in the value of investments and income from stock dividends.

Provisions for impairment of equity investment are made as follows:

- For investments in listed companies or equity investments for which the fair value can be reliably measured, the allowance shall be made according to the fair value of the shares.
- For investments whose fair value is not identifiable at the reporting date, the allowance shall be made according to the investee's loss with an amount equal to the difference between the actually contributed capital and the owner's equity multiplied by the portion of ownership interest.

An increase or decrease in allowance for diminution in value of investments in other entities at the closing date is recognized as financial expenses in the year.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods and are expected to provide future economic benefits to the Company. Prepayments comprise cost of show flat and real estate brokerage commissions; tools and supplies issued for consumption.

Cost of show flat and real estate brokerage commissions are recognized as long-term prepayments and amortized to the consolidated income statement as a proportion of revenue of projects when the Company hands over properties to customers.

Tools and supplies issued for consumption are capitalized as prepayments, and are allocated to operating cost using the straight-line method within 3 years in accordance with the current prevailing accounting regulations.

Trade and other payables

Accounts payable are monitored in detail by payable terms, debtors, original currency and other factors depending on the Company's managerial requirements. Accounts payable to suppliers include trade payables arising from buying-selling transactions and payables for import through entrustees (in import entrustment transactions). Other payables include non-trade payables, not related to buying-selling transactions. Accounts payable are classified as short-term and long-term in the consolidated statement of financial position based on the remaining period of these payables at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Accrued expenses

Accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company or lack of accounting document, which are recorded to operating expenses of the reporting year.

Business cooperation contract

Business cooperation contract ("BCC") is an agreement between the Company and its contractual partners to carry out economic activities jointly but does not form an independent legal entity. This activity is controlled by one of the parties. BCC stipulates that the parties to BCC are entitled to share profits if BCC's operating results are profitable or guaranteed at least according to the terms of the contract.

Loans and obligations under finance leases

Including loans and finance lease liabilities of the Company. Loans under the forms of issuance of bonds or preference shares with provisions requiring the issuer to repurchase at a certain time in the future shall not be recorded in this account. The Company accounts for in details each object of the loans and finance lease liabilities and classifies short-term and long-term debt by payable term of loans, finance lease liabilities.

Expenses directly attributable to the loan are recognized as finance expenses, except for costs incurred on a particular loan for investment, construction, or production of an asset in progress, which are capitalized under the accounting standard "Borrowing costs".

Payable provisions

Payable provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Bonds

Bonds are issued as long-term borrowings.

Carrying value of straight bond is recorded on net basis, equal to bonds' nominal amount less (-) Bond discount plus (+) Bond premium.

The Company accounts for the issued bonds' discount and premium individually and recognizes their amortization for the purpose of determining borrowing costs which are recorded as expenses or capitalized during each period, as follows:

- Bond discount is amortized gradually during bonds' life, accounted for as borrowing costs;
- Bond premium is amortized gradually during bonds' life, reducing borrowing costs;

Discount or premium is amortized by using straight-line method during bond term.

Costs directly attributable to the issuance of straight bond are initially recorded as a deduction from the principal of the straight bond. Periodically, such costs are allocated under the straight-line method over the term of the bond by increasing the principal and corresponding borrowing cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Owner's equity recognition**

Owner's equity is recognized by actual capital contributions from shareholders.

Share premium is recognized at the larger or smaller difference between issuing price and par value of shares upon the initial public offering, additional issuance or re-issuance of treasury shares. Costs directly attributable to issuance of additional shares and re-issuance of treasury shares are recorded as a reduction in share premium.

Treasury shares are shares issued by the Company and then acquired. Treasury shares are recorded at the actual value and presented on the consolidated balance sheet as a deduction from equity. No gain or loss is recognized upon purchase, sale, issue or cancellation of the Company's own equity instruments.

Retained earnings is recognized by operating results less (-) current corporate income tax expense and adjustments due to the retrospective application of changes in accounting policies and the retrospective adjustments for material misstatements of prior years.

Net profit after tax is available for distribution to the shareholders and being paid in the following year under approval in the Annual General Meeting of the Company.

Appropriation of reserves and funds from profit after tax is based on the Company's ordinance and approval in the Annual General Meeting.

Revenue recognition*Revenue from the sale of real estate*

Revenue from the sale of real estate which the Company is the investor is recognized when all five (5) following conditions are satisfied:

- (a) The real estate has been completed and transferred to the buyer, the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (c) The amount of revenue can be measured reliably;
- (d) The economic benefits associated with the transaction flowed or will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For subdivided land plot for sale, if it is transferred to the customer (regardless legal procedures for land use right certificate done or not) and contract is irrevocable, revenue is recognized when satisfying the following conditions:

- (a) Risks and rewards associated with land plot are transferred to the buyer;
- (b) The amount of revenue can be measured reliably;
- (c) Costs related to sale of plots may be determined; and
- (d) The Company has received or will receive economic benefits from sales of the plots.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Revenue recognition (continued)
Revenue from services rendered

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognized in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably. Where the contract stipulates that the buyer is entitled to return the supplied services under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to return the services;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Gains on financial investments are recognized when the Company's right to receive payment has been established.

Income from transferring the right to participate in project

Income from transferring the right to participate in project is defined as the amount received from the transfer contract and is recognized in consolidated income statement when the contract is operative. The economic benefits associated with the transaction flowed or will flow to the Company without any obligation to repay under any circumstances.

Cost of sales recognition
Cost of real estate properties sold

The cost of real estate sold is determined and recognized in profit or loss by reference to directly attributable cost and an allocation of overhead costs to corresponding size of the properties sold.

Goods and other services

Cost of goods sold and services rendered are recorded at actually incurred amount and aggregated by value and quantity of finished goods, merchandise and materials sold and services rendered to customers, conforming to the matching principle and the precautionary principle. The costs exceeded normal levels of inventory and services are recognized immediately in operating results in the year.

Borrowing costs

Borrowing costs are recognized in the consolidated income statement in the year when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
Cost of project investment cooperation

Regarding the investment cooperation contracts of real estate projects where the Company is the controlling party of activities and assets, the annually settled profits distributed to the partners shall be recognized in the consolidated income statement as the cost of project investment cooperation.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Earnings per share

Basic earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjusting for appropriation for bonus and welfare funds) by weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing post-tax profits or loss attributable to ordinary shareholders (after adjustment for dividends of preference shares) by the weighted average number of ordinary shares in circulation during the year and the weighted average number of ordinary shares to be issued in the case that all dilutive potential ordinary shares are converted into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Related parties**

The enterprises, associates and individuals are considered to be related to the Company if one party has ability, directly or indirectly through one or more intermediaries, to control over the other party or is under the control of the Company, or joint control with the Company; the associates and individuals directly or indirectly holding the voting power over the Company that exercise significant influence over the Company. Related parties may be the key management personnel, General Director and officers of the Company. Close family members of any individuals or associates herein or associates of these individuals are also considered as related parties.

In considering the relationship of each related party, the substance of the relationship is noted over the legal form.

Segment report

A segment is a distinguishable part of the Company involved in the provision of related products or services (by business segment), or in the provision of products or services within the scope a particular economic environment (geographical area) that has a risk and economic benefit different from the other business units. The Board of General Directors is of the view that the Company operates in its business segments of trading real estate properties, other activities and operates in a single geographic area of Vietnam. Therefore, segment report is prepared in term of business sector and segment report by geographical area will not be presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET**1. Cash**

	31/12/2022 VND	01/01/2022 VND
Cash on hand	504,123,356	478,318,123
Bank demand deposits	11,644,124,997	29,712,018,963
Total	12,148,248,353	30,190,337,086

2. Short-term trade receivables

	31/12/2022 VND	01/01/2022 VND
Receivables from transferring real estate properties	339,360,374,925	279,684,632,290
<i>Diamond Riverside High-rise Apartment project</i>	140,692,590,116	140,253,810,312
<i>City Gate Towers Apartment project</i>	103,950,610,505	106,411,610,505
<i>Son Tinh Residential Area Project - Quang Ngai</i>	73,525,358,831	6,676,390,000
<i>Seafood Hill Villas project - Quang Ninh</i>	21,191,815,473	23,812,975,473
<i>Other projects</i>	-	2,529,846,000
Receivables from transferring investments in other entities	5,500,000,000	11,605,500,000
Other trade receivables	8,570,494,582	11,203,904,250
Total	353,430,869,507	302,494,036,540

3. Short-term advances to suppliers

	31/12/2022 VND	01/01/2022 VND
Related parties	559,173,356,280	21,893,436,924
CII Engineering and Construction Joint Stock Company (i)	559,173,356,280	20,773,681,440
NBB Quang Ngai One Member Company Limited	-	1,119,755,484
Other suppliers	287,187,290,652	311,799,216,852
Arch Real Estate Service Joint Stock Company	192,841,775,900	192,841,775,900
E&C Civil Construction Joint Stock Company	40,447,883,701	33,647,883,701
Other suppliers	53,897,631,051	85,309,557,251
Total	846,360,646,932	333,692,653,776

(i) The year-end balance presented the advance for construction of De Lagi luxury resort and residential area project located in Binh Thuan province.

4. Loan receivables

	31/12/2022 VND	01/01/2022 VND
a. Short-term loan receivables		
E&C Civil Construction Joint Stock Company	2,300,000,000	2,300,000,000
b. Long-term loan receivables		
Khu Bac Thu Thiem Company Limited (A related party)	-	562,911,347,948
Total loan receivable	2,300,000,000	565,211,347,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**5. Other receivables**

	31/12/2022 VND	01/01/2022 VND
a. Other short-term receivables		
Advances for land compensation	104,000,309,602	54,411,646,574
Interest receivables from financial supports and investment cooperation	70,889,676,250	20,941,298,475
Receivables on financial support	43,639,882,834	43,639,882,834
Deposits	6,965,000,000	8,315,000,000
Profit advances under BCC contract	-	34,841,439,583
Other receivables	13,630,387,570	15,222,140,154
	239,125,256,256	177,371,407,620
b. Other long-term receivables		
Investment cooperation capital contributions	1,566,063,100,930	-
Project performance deposits	21,054,310,000	42,108,620,000
Other receivables	37,667,870	231,145,003
	1,587,155,078,800	42,339,765,003
Total other receivables	1,826,280,335,056	219,711,172,623
<i>Of which, receivables from related parties:</i>		
CII Company (i)	1,167,432,000,000	-
Khu Bac Thu Thiem Company Limited (ii)	468,617,785,399	20,759,556,010
Total	1,636,049,785,399	20,759,556,010

(i) The balance represents the Company's contribution and profit sharing from the business cooperation contract with CII Company with the amounts of VND 1,150 billion and VND 17,432 billion respectively, related to the cooperation to develop a real estate investment project owned by CII Company. The cooperation and capital recovery period is 20 years. During the cooperation period, CII Company holds the right to exploit and operate the project. The Company is entitled to share benefits according to the contract.

(ii) The balance reflects the capital contribution and benefits obtained from the investment cooperation contract with Khu Bac Thu Thiem Company Limited. The investment cooperation was approved by the Board of Management of the Company with a maximum capital contribution limit of VND 615 billion and a cooperation period of 36 months commencing on the date of the first capital contribution. The cooperation aims to enable Khu Bac Thu Thiem Company Limited to carry out its business activities regarding the projects in the new urban area of Thu Thiem. The Company is entitled to a minimum profit share of 14% per annum on the actual capital contribution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**6. Bad debts**

	31/12/2022			01/01/2022		
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision
	VND	VND	VND	VND	VND	VND
Short-term trade receivables	1,209,811,486	-	(1,209,811,486)	709,811,486	-	(709,811,486)
Short-term advances to suppliers	26,500,314,720	12,721,405,360	(13,778,909,360)	1,057,504,000	-	(1,057,504,000)
Other short-term receivables	33,652,161,734	-	(33,652,161,734)	33,652,161,734	-	(33,652,161,734)
Total	61,362,287,940	12,721,405,360	(48,640,882,580)	35,419,477,220	-	(35,419,477,220)

The movements in provision for bad debts during the year are as follows:

	2022	2021
	VND	VND
Opening balance	35,419,477,220	2,013,912,786
Additional provision	13,221,405,360	33,405,564,434
Closing balance	48,640,882,580	35,419,477,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**7. Inventories**

	31/12/2022		01/01/2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	-	-	37,790,150	-
Real estate properties in progress (*)	1,340,146,116,737	-	884,921,637,208	-
Finished real estate properties	15,383,881,527	-	26,415,185,899	-
Properties held for sale	-	-	19,953,257,315	-
Total	1,355,529,998,264	-	931,327,870,572	-

(*) Real estate properties in progress present the investment and development costs of the following projects:

	31/12/2022		01/01/2022	
	Cost VND	Provision VND	Cost VND	Provision VND
De Lagi luxury resort and residential area	713,340,236,730	-	325,075,410,626	-
Son Tinh Residential Area - Quang Ngai (i)	555,819,425,473	-	488,859,772,048	-
Other projects	70,986,454,534	-	70,986,454,534	-
Total	1,340,146,116,737	-	884,921,637,208	-

(i) The Company has implemented a business cooperation engagement and committed to share profits in Son Tinh Residential Area Project - Quang Ngai with a another partner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)

8. Prepayments

	31/12/2022 VND	01/01/2022 VND
a. Short-term prepayments		
Tools and supplies issued for consumption	25,020,647	22,361,483
Other prepayments	4,556,538	-
	29,577,185	22,361,483
b. Long-term prepayments		
Real estate brokerage commissions (i)	103,454,109,092	93,326,254,547
Cost of show flat	4,906,709,573	5,623,321,309
Tools and supplies issued for consumption	866,604,391	1,314,985,713
Other prepayments	395,281,296	942,513,906
	109,622,704,352	101,207,075,475
Total prepayments	109,647,724,999	101,229,436,958

(i) The real estate brokerage commissions will be charged to profit and loss when the properties are handed over to the customers.

The movements in long-term prepayments during the year are as follows:

	Amount VND
As at 01/01/2021	59,173,130,484
Increasing during the year	98,378,381,846
Allocation of expense during the year	(2,160,238,550)
Reclassification	(54,184,198,305)
As at 31/12/2021	101,207,075,475
As at 01/01/2022	101,207,075,475
Increasing during the year	11,299,469,571
Allocation of expense during the year	(2,417,206,773)
Other decrease	(466,633,921)
As at 31/12/2022	109,622,704,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**9. Tangible fixed assets**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles and transmission VND	Office equipment VND	Total VND
Cost					
As at 01/01/2022	205,359,762,505	2,711,985,442	13,458,678,577	1,195,546,455	222,725,972,979
New purchases during the year	-	-	1,580,909,091	-	1,580,909,091
Other increase	2,996,667,613	-	-	-	2,996,667,613
Transfer from construction in progress	7,876,287,363	-	-	-	7,876,287,363
Transfer from properties held for sale	18,467,426,849	-	-	-	18,467,426,849
Disposals during the year	(83,903,087)	-	-	-	(83,903,087)
Other decrease	-	-	-	(58,681,818)	(58,681,818)
As at 31/12/2022	234,616,241,243	2,711,985,442	15,039,587,668	1,136,864,637	253,504,678,990
Accumulated depreciation					
As at 01/01/2022	21,152,722,862	1,924,925,609	9,135,646,536	637,614,133	32,850,909,140
Charged for the year	5,640,483,193	205,726,440	1,357,633,005	194,348,948	7,398,191,586
Disposals during the year	(6,284,570)	-	-	-	(6,284,570)
Other decrease	-	-	-	(39,061,099)	(39,061,099)
As at 31/12/2022	26,786,921,485	2,130,652,049	10,493,279,541	792,901,982	40,203,755,057
Net book value					
As at 01/01/2022	184,207,039,643	787,059,833	4,323,032,041	557,932,322	189,875,063,839
As at 31/12/2022	207,829,319,758	581,333,393	4,546,308,127	343,962,655	213,300,923,933

As of 31 December 2022, the cost of the Company's tangible fixed assets included the amount of VND 8,229,885,443 which have been fully depreciated but are still in use (as of 01 January 2022: VND 7,052,886,352).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**10. Intangible fixed assets**

	Land use right	Software program VND	Total
Cost			
As at 01/01/2022	31,377,827,986	269,100,000	31,646,927,986
Transfer from properties held for sale	1,485,830,466	-	1,485,830,466
As at 31/12/2022	32,863,658,452	269,100,000	33,132,758,452
Accumulated amortisation			
As at 01/01/2022	-	158,421,775	158,421,775
Charged for the year	59,433,219	89,700,000	149,133,219
As at 31/12/2022	59,433,219	248,121,775	307,554,994
Net book value			
As at 01/01/2022	31,377,827,986	110,678,225	31,488,506,211
As at 31/12/2022	32,804,225,233	20,978,225	32,825,203,458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**11. Investment properties**

	Swimming pool and tennis court at Carina Plaza	Utilities on the 4th floor at Carina Plaza	3 Floors of Shopping mall at Carina Plaza (i)	Fitness room at Diamond Riverside project	Total
	VND	VND	VND	VND	VND
Cost					
As at 01/01/2022	1,977,748,637	9,356,509,045	59,841,892,815	-	71,176,150,497
Transfer from finished real estate properties	-	-	-	3,385,348,347	3,385,348,347
Disposals during the year (i)	-	-	(59,841,892,815)	-	(59,841,892,815)
As at 31/12/2022	1,977,748,637	9,356,509,045	-	3,385,348,347	14,719,606,029
Accumulated depreciation					
As at 01/01/2022	1,009,567,802	2,884,923,596	11,515,404,664	-	15,409,896,062
Charged for the year	70,802,133	467,825,448	1,881,725,772	142,340,940	2,562,694,293
Disposals during the year (i)	-	-	(13,397,130,436)	-	(13,397,130,436)
As at 31/12/2022	1,080,369,935	3,352,749,044	-	142,340,940	4,575,459,919
NET BOOK VALUE					
As at 01/01/2022	968,180,835	6,471,585,449	48,326,488,151	-	55,766,254,435
As at 31/12/2022	897,378,702	6,003,760,001	-	3,243,007,407	10,144,146,110

(i) In the year, the Company has transferred three (03) floors of Carina shopping mall to CII Company. This transfer was approved by the Board of Management under Resolution No. 109/NQ-HDQT dated 29 December 2022.

The fair value of the investment properties has not been measured and presented in the notes to the consolidated financial statements. However, on the basic of market value of similar assets and occupancy rates, the Company's Board of General Directors believes that the fair value of these properties exceeds its carrying amount on the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**11. Investment properties (continued)**

Revenues and operating expenses related to investment properties are presented as follows:

	2022 VND	2021 VND
Investment properties rental income	2,825,686,738	2,223,330,839
Directly operating expenses generating rental income during the period	4,068,272,526	3,854,224,154
Investment properties rental loss	(1,242,585,788)	(1,630,893,315)

12. Long-term construction in progress

	31/12/2022 VND	01/01/2022 VND
NBB Garden III real estate investment project	826,159,350,930	814,910,144,026
NBB II real estate investment project	778,819,819,210	772,091,636,468
Construction of staff housing project	-	7,558,121,696
Other projects	1,638,587,273	1,148,087,273
Total	1,606,617,757,413	1,595,707,989,463

The movements in construction in progress are as follows:

	2022 VND	2021 VND
Opening balance	1,595,707,989,463	1,543,066,537,426
Investment expenses incurred during the year	18,786,055,313	52,641,452,037
Transfer to fixed assets	(7,876,287,363)	-
Closing balance	1,606,617,757,413	1,595,707,989,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**13. Long-term financial investments****a. Investment in associate**

	31/12/2022			01/01/2022		
	Voting right %	Cost VND	Post-acquisition profits VND	Voting right %	Cost VND	Post-acquisition profits VND
Tam Phu Investment & Construction Company Limited	49.00%	4,579,636,245	(4,579,636,245)	49.00%	4,579,636,245	(4,579,636,245)
Carrying amount			-			-

b. Equity investments in other entities

	31/12/2022			01/01/2022		
	Voting right %	Cost VND	Provision VND	Voting right %	Cost VND	Provision VND
Sai Gon Dan Kia Water Supply Corporation	9.50%	16,150,000,000	-	9.50%	16,150,000,000	-
Hifill Holding Company	5.00%	2,000,000,000	(2,000,000,000)	5.00%	2,000,000,000	(2,000,000,000)
Carrying amount			16,150,000,000			16,150,000,000

Fair value of these investments has not been determined for disclosure in the consolidated financial statements because there is no quoted market price and no comprehensive guidance of Vietnamese Accounting Standards and accounting regime for enterprises on determination of fair value of these financial investments. The fair value of these investments may differ from the carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**14. Deferred tax assets**

	Unrealized profit/(loss) from intra-group transactions eliminated on consolidation	Expenses deducted from taxable income in the future	Total
	VND	VND	VND
a. Deferred tax assets			
As at 01/01/2021	509,373,000	-	1,213,872,000
Charge to consolidated income statement for the year	165,528,000	3,638,883,626	3,749,235,626
As at 01/01/2022	674,901,000	3,638,883,626	4,313,784,626
Charge to consolidated income statement for the year	220,704,000	821,597,794	1,042,301,794
As at 31/12/2022	895,605,000	4,460,481,420	5,356,086,420
 b. Deferred tax liabilities			
 As at 01/01/2021	 -	 -	 -
Charge to consolidated income statement for the year	-	(786,852,028)	(786,852,028)
As at 01/01/2022	-	786,852,028	786,852,028
Charge to consolidated income statement for the year	-	-	-
As at 31/12/2022	-	786,852,028	786,852,028
 Tax rate used to calculate deferred tax			20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**15. Short-term trade payables**

	31/12/2022		01/01/2022	
	Carrying amount	Amount able to be paid off	Carrying amount	Amount able to be paid off
	VND	VND	VND	VND
Sai Gon Construction Joint Stock Company	48,736,691,002	48,736,691,002	56,236,691,002	56,236,691,002
Other suppliers	43,660,418,823	43,660,418,823	29,115,218,998	29,115,218,998
Total	92,397,109,825	92,397,109,825	85,351,910,000	85,351,910,000

Of which, payable to the related parties:

CII Engineering and Construction Joint Stock Company	6,128,109,903	6,128,109,903	-	-
NBB Quang Ngai One Member Company Limited	4,881,217,832	4,881,217,832	-	-
CII Infrastructure Service Company Limited	13,443,885	13,443,885	13,443,885	13,443,885
Total	11,022,771,620	11,022,771,620	13,443,885	13,443,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**16. Short-term advances from customers**

	31/12/2022 VND	01/01/2022 VND
Advances from customers transferring real estate properties (i)	27,791,499,364	34,060,963,433
Other advances from customers	5,064,000	5,804,200
Total	27,796,563,364	34,066,767,633

(i) The balance represented payments in progress from customers transferring real estate properties of the Company which the Company is investing and developing.

17. Taxes and other receivables, payables to the State budget

	01/01/2022 VND	Payable during the year VND	Payment during the year VND	31/12/2022 VND
	VND	VND	VND	VND
a. Receivables				
Value added tax	2,770,486,112	2,770,486,112	-	-
Other taxes	1,025,860	1,025,860	-	-
Total	2,771,511,972	2,771,511,972	-	-
b. Payables				
Value added tax	21,458,603,050	23,061,445,915	22,088,417,494	22,431,631,471
Corporate income tax	151,131,251,362	17,515,985,308	87,116,768,664	81,530,468,006
Personal income tax	5,351,783,419	6,986,123,119	7,739,819,864	4,598,086,674
Other taxes	42,184,934,154	11,113,577,681	29,992,904,361	23,305,607,474
Total	220,126,571,985	58,677,132,023	146,937,910,383	131,865,793,625

18. Short-term accrued expenses

	31/12/2022 VND	01/01/2022 VND
Interest expense	24,432,412,948	12,723,024,376
Construction costs	4,806,087,886	7,079,788,497
Land use levies of real estate projects	-	321,000,000,000
Other accrued expenses	2,179,382,458	1,291,012,990
Total	31,417,883,292	342,093,825,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**19. Other payables**

	31/12/2022 VND	01/01/2022 VND
a. Other current payables		
Deposits received from customers	207,000,880,850	463,322,913,500
Maintenance fund of apartments	44,889,547,736	45,437,479,557
Profit payable to BCC contract (i)	37,253,837,197	-
Investment cooperation capital contribution payables	-	112,913,213,000
Profit payables on financial support and investment cooperation	-	13,281,782,213
Other payables	8,135,071,990	6,317,620,553
	297,279,337,773	641,273,008,823
b. Other long-term payables		
Investment cooperation capital contribution payables	357,304,068,524	-
Profit payables on financial support and investment cooperation	156,293,243,977	-
Deposits received	6,098,031,000	6,098,031,000
Maintenance fund of apartments	947,085,036	947,085,036
	520,642,428,537	7,045,116,036
Total other payables	817,921,766,310	648,318,124,859
Of which, payables to the related parties:		
CII Company	425,906,874,142	126,194,995,213
Investment cooperation capital contribution payables (ii)	357,304,068,524	112,913,213,000
Profit payables on investment cooperation	47,122,096,026	5,551,072,622
Payables on cost of using capital	21,480,709,592	7,730,709,591
Lu Gia Real Estate Trading Investment Company Limited	29,186,438,357	-
Ha Noi Highway Construction and Investment Joint Stock Company	29,156,164,384	-
CII Engineering and Construction Joint Stock Company	25,430,136,987	-
Khu Bac Thu Thiem Company Limited	3,917,698,631	-
Total	513,597,312,501	126,194,995,213

(i) This is profit payables sharing to the partner on investment cooperation of Son Tinh Residential Area project (see more at Note V.7).

(ii) The balance presents the capital contribution to Son Tinh - Quang Ngai residential project, with a cooperation period until December 31, 2025. CII Company is allocated a lump sum profit according to the investment cooperation contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**20. Loans and obligations under finance leases**

	31/12/2022		Arising during the year		01/01/2022	
	Carrying amount	Principal able to be paid off	Increase	Decrease	Carrying amount	Principal able to be paid off
	VND	VND	VND	VND	VND	VND
a. Short-term loans						
Loans from individuals	911,948,604,185	911,948,604,185	302,274,304,005	60,457,714,220	670,132,014,400	670,132,014,400
Current portion of long-term loans (See note b)	60,000,000,000	60,000,000,000	-	-	167,000,000,000	167,000,000,000
	971,948,604,185	971,948,604,185	302,274,304,005	60,457,714,220	837,132,014,400	837,132,014,400
b. Long-term loans						
Loans	1,868,200,685,697	1,868,200,685,697	1,843,200,685,697	82,000,000,000	-	-
Related parties (*)	1,361,000,000,000	1,361,000,000,000	1,236,000,000,000	-	125,000,000,000	125,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Viet Nam						
- South Binh Duong Branch	567,200,685,697	567,200,685,697	607,200,685,697	40,000,000,000	-	-
Asia Commercial Joint Stock Bank	-	-	-	42,000,000,000	42,000,000,000	42,000,000,000
Less: Amount due for settlement within 12 months	(60,000,000,000)	(60,000,000,000)			(167,000,000,000)	(167,000,000,000)
Bond						
NBBH2124001 bond	290,000,000,000	290,000,000,000	-	60,000,000,000	350,000,000,000	350,000,000,000
	2,158,200,685,697	2,158,200,685,697	1,843,200,685,697	142,000,000,000	350,000,000,000	350,000,000,000
Total loans and bond	3,130,149,289,882	3,130,149,289,882	2,145,474,989,702	202,457,714,220	1,187,132,014,400	1,187,132,014,400
(*) Details of loan balance of related parties:						
Lu Gia Real Estate Trading Investment Company Limited	400,000,000,000	400,000,000,000	400,000,000,000	-	-	-
Ha Noi Highway Construction and Investment Joint Stock Company	400,000,000,000	400,000,000,000	400,000,000,000	-	-	-
CII Engineering and Construction Joint Stock Company	350,000,000,000	350,000,000,000	350,000,000,000	-	-	-
CII Company	125,000,000,000	125,000,000,000	-	-	125,000,000,000	125,000,000,000
Khu Bac Thu Thiem Company Limited	86,000,000,000	86,000,000,000	86,000,000,000	-	-	-
Total	1,361,000,000,000	1,361,000,000,000	1,236,000,000,000		125,000,000,000	125,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**20. Loans and obligations under finance leases (continued)****Additional information for loans**

Creditors	Closing balance	Duration	Interest rate	Loan purposes	Collaterals and other information
<u>Short-term loans</u>					
Loans from individuals	911,948,604,185	Up to 31/12/2022 or another agreed duration	8.00% - 9.00%	Supplement to working capital and finance in the Company's operations.	None collateral
<u>Long-term loans</u>					
Joint Stock Commercial Bank For Foreign Trade Of Viet Nam - South Binh Duong Branch	567,200,685,697	144 months, up to 19/05/2034	8.50%	Finance in De Lagi project, Binh Thuan	All rights to exploit, manage and benefit from De Lagi project, Binh Thuan and a real estate project owned by CII Company. Capital contribution in a subsidiary, shares and time deposit agreements of CII company.
Lu Gia Real Estate Trading Investment Company Limited	400,000,000,000	The duration of the contract is 20 years	8.50%	Finance in business activities	None collateral
Ha Noi Highway Construction and Investment Joint Stock Company	400,000,000,000	The duration of the contract is 20 years	8.50%	Finance in business activities	None collateral
CII Engineering and Construction Joint Stock Company	350,000,000,000	The duration of the contract is 20 years	8.50%	Finance in business activities	None collateral
CII Company	125,000,000,000	Upto 01/06/2024 or another duration under agreement	11.00%	Supplement to working capital and finance in the Company's operations.	None collateral
Khu Bac Thu Thiem Company Limited	86,000,000,000	5 years	7.00%	Finance in business activities	None collateral

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**20. Loans and obligations under finance leases (continued)****Additional information for issued bonds***Bond NBBH2124001 with a maximum par value of VND 500 billion.*

- Par value of bonds: VND 100 million per bond;
- Number of bonds issued: 4,900 bonds;
- Number of bonds redeemed: 2,000 bonds;
- Issuance method: private placement;
- Bondholder: Ho Chi Minh City Development Commercial Joint Stock Bank;
- Type of bond: non-convertible and without a warrant but accompanied by collaterals; bearing coupon with a combination of fixed and floating rates, and not a subordinated debt;
- Issuance date: 11 June 2021;
- Term of bond: 36 months;
- Maturity date: 11 June 2024;
- The coupon rate: the interest rate of 11% per annum applicable for the first two periods. For the following periods, the coupon rate is referred to as the interest rate of twelve-month saving personal deposits announced by HDBank plus (+) 4.5% per annum, but not less than 11% per annum in any cases;
- Payment of coupon: each six months and paid arrears;
- Purpose of issuance: investment cooperation with Khu Bac Thu Thiem Company Limited to carry out business activities in projects in Thu Thiem new urban area and financing the project of Son Tinh Residential Area - Quang Ngai;
- Collaterals: All assets, property rights, existing and future economic benefits derived from Son Tinh Residential Area - Quang Ngai project; shares owned by CII Company; rights derived from the investment cooperation contract with Khu Bac Thu Thiem Company Limited; balances and property rights arising on accounts opened at HDBank specializing in collecting and managing revenue from buyers, contributing capital, and mobilizing other capital at Son Tinh Residential Area - Quang Ngai project.

Long-term loans and bonds are repayable on the following schedule

	31/12/2022 VND	01/01/2022 VND
On demand	60,000,000,000	167,000,000,000
In the second year	495,000,000,000	-
In the third to fifth year inclusive	345,000,000,000	350,000,000,000
After five years	1,318,200,685,697	-
	2,218,200,685,697	517,000,000,000
Less: Amount due for settlement within 12 months	(60,000,000,000)	(167,000,000,000)
Amount due for settlement after 12 months	2,158,200,685,697	350,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**21. Payable provisions**

	31/12/2022 VND	01/01/2022 VND
a. Short-term provisions		
Land use levies of real estate projects (*)	321,000,000,000	-
Project cost provision	-	7,272,727,273
	321,000,000,000	7,272,727,273
b. Long-term provisions		
Project cost provision	3,340,932,187	3,752,492,187
	324,340,932,187	11,025,219,460

() Details of land use levies of projects:*

Diamond Riverside High-rise Apartment project	201,000,000,000	-
City Gate Towers Apartment project	120,000,000,000	-
Total	321,000,000,000	-

The movements in payable provisions during the year are as follows:

	Project costs VND	Land use levies of real estate projects VND	Total VND
Opening balance	11,025,219,460	-	11,025,219,460
Reclassify from short-term accrued expenses	-	321,000,000,000	321,000,000,000
Utilisation of provision	(7,684,287,273)	-	(7,684,287,273)
Closing balance	3,340,932,187	321,000,000,000	324,340,932,187

22. Bonus and welfare funds

	2022 VND	2021 VND
Opening balance	13,423,225,313	10,658,409,639
Appropriation of fund during the year	12,976,011,591	33,418,582,316
Utilization of fund during the year	(18,630,096,650)	(30,653,766,642)
Closing balance	7,769,140,254	13,423,225,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (continued)**23. Owner's equity****a. Movements of owner's equity**

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Non-controlling interests VND	Total VND
As at 01/01/2021	1,004,756,560,000	479,559,579,732	(498,686,282,051)	103,604,269,349	669,234,115,649	8,184,694,033	1,766,652,936,712
Profit for the year	-	-	-	-	314,411,664,779	(1,319,047,910)	313,092,616,869
Dividends paid	-	-	-	-	(125,199,865,600)	-	(125,199,865,600)
Re-issue treasury shares to reward to shareholders	-	(272,500,414,288)	491,599,204,288	-	(219,098,790,000)	-	-
Appropriation of bonus and welfare funds	-	-	-	-	(33,384,109,073)	(34,473,243)	(33,418,582,316)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(3,000,000,000)	-	(3,000,000,000)
Utilization of investment and development fund	-	-	-	(87,924,671,147)	-	-	(87,924,671,147)
Other adjustments	-	-	-	(15,679,598,202)	15,679,598,202	-	-
As at 01/01/2022	1,004,756,560,000	207,059,165,444	(7,087,077,763)	-	618,642,613,957	6,831,172,880	1,830,202,434,518
Profit for the year	-	-	-	-	6,003,517,612	1,173,006,320	7,176,523,932
Dividends paid	-	-	-	-	-	(1,450,000,000)	(1,450,000,000)
Appropriation of bonus and welfare funds	-	-	-	-	(12,956,034,341)	(19,977,250)	(12,976,011,591)
Remuneration for the Boards of Management and Supervisory	-	-	-	-	(3,144,116,648)	-	(3,144,116,648)
As at 31/12/2022	1,004,756,560,000	207,059,165,444	(7,087,077,763)	-	608,545,980,580	6,534,201,950	1,819,808,830,211

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET
(continued)**23. Owner's equity** (continued)**b. Shares**

	31/12/2022 Shares	01/01/2022 Shares
Number of shares authorized to be issued	100,475,656	100,475,656
Number of shares issued to the public	100,475,656	100,475,656
+ <i>Ordinary share</i>	<i>100,475,656</i>	<i>100,475,656</i>
Number of treasury shares	(315,861)	(315,861)
+ <i>Ordinary share</i>	<i>(315,861)</i>	<i>(315,861)</i>
Number of outstanding shares in circulation	100,159,795	100,159,795
+ <i>Ordinary share</i>	<i>100,159,795</i>	<i>100,159,795</i>
Par value is of VND 10,000/share		

c. Dividends

According to Resolution No. 100/NQ-DHDCD of the Extraordinary General Meeting of Shareholders dated 2 November 2022, The Company's General Meeting of Shareholders has approved the resolution of canceling the payment of the remaining dividend of 2020 and the dividend for 2021 approved in the previous years.

Dividends for the year 2022 may be paid at the rate of 15%, equivalent to VND 1,500 for each share in circulation. The final payment level and form of dividends will be approved at the next Annual General Meeting of Shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT**1. Revenue**

	2022 VND	2021 VND
Revenue from sales of real estate properties	438,406,779,649	537,752,096,740
Revenue from services rendered	27,955,177,363	27,479,505,196
Total	466,361,957,012	565,231,601,936

Of which, revenue from transactions with related party:

Revenue from transferring investment property to CII Company	80,194,762,379	-
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2. Cost of sales

	2022 VND	2021 VND
Cost of real estate properties sold	209,508,288,419	276,911,501,946
Cost of services rendered	30,106,485,009	33,121,862,537
Total	239,614,773,428	310,033,364,483

3. Financial income

	2022 VND	2021 VND
Interest income from investment cooperation, bank and loan interest income	149,131,222,870	45,042,605,516
Dividends	2,280,000,000	-
Income from transferring the right to participate in the project	-	370,000,000,000
Other financial income	-	19,680,000,000
Total	151,411,222,870	434,722,605,516

Of which, financial income from transactions with related parties:

CII Company (i)	86,931,000,000	-
Khu Bac Thu Thiem Company Limited	61,401,675,962	63,973,643,684
Saigon Dankia Water Supply Corporation	2,280,000,000	-
Total	150,612,675,962	63,973,643,684

(i) This is the profit that the Company was distributed from the business cooperation contract of development and investment of a real estate projects with CII Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**4. Financial expenses**

	2022	2021
	VND	VND
Interest expenses	170,490,729,603	99,297,320,355
Project investment cooperation cost (i)	89,295,276,780	66,562,238,174
Total	259,786,006,383	165,859,558,529

(*) Of which, financial expenses from transactions with related parties:

Lu Gia Real Estate Trading Investment Company Limited	29,186,438,357	-
Ha Noi Highway Construction and Investment Joint Stock Company	29,156,164,384	-
CII Engineering and Construction Joint Stock Company	25,430,136,987	-
CII Company	13,750,000,001	7,730,709,591
Khu Bac Thu Thiem Company Limited	3,917,698,631	-
Total	101,440,438,360	7,730,709,591

(i) This is the profit distribution to a partner related to investment cooperation in Son Tinh - Quang Ngai project.

5. Selling expenses

	2022	2021
	VND	VND
Cost of show flat	716,611,736	870,333,784
Other monetary expenses	2,205,543,741	2,210,722,382
Total	2,922,155,477	3,081,056,166

6. General and administration expenses

	2022	2021
	VND	VND
Management staff costs	20,593,875,195	24,950,197,145
Office stationary expenses	139,348,869	261,375,019
Depreciation of fixed assets	2,524,640,419	1,488,397,050
Tax, duties and fees	145,760,939	246,097,504
Provision for bad debts	13,221,405,360	33,405,564,434
Outsourced services expenses	570,455,161	1,986,282,733
Other monetary expenses	5,354,720,731	4,121,476,392
Total	42,550,206,674	66,459,390,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**7. Other income**

	2022 VND	2021 VND
Fines received from breach of contract	1,237,813,517	4,620,985,742
Gain on disposal of fixed assets, tools and supplies	184,371,044	252,257,571
Income of land use levies refunded	-	13,917,579,620
Other income	688,364,895	1,242,882,502
Total	2,110,549,456	20,033,705,435

8. Other expenses

	2022 VND	2021 VND
Fine on contractual violation	35,775,096,055	4,589,120,000
Fine on tax violation	10,989,753,881	22,592,591,968
Cost of compensation and remedy for damage caused by fire at Carina Apartment	-	21,333,079,201
Other expenses	4,595,529,994	5,164,827,510
Total	51,360,379,930	53,679,618,679

9. Current corporate income tax expense

	2022 VND	2021 VND
Accounting profit before tax	23,650,207,446	420,874,924,753
Adjustments		
Non-deductible expenses	64,430,613,579	102,834,224,904
Non-taxable income	(2,280,000,000)	-
Reversal of assessable loss offset by consolidation	7,794,003	3,886,195,672
Unrealized profit/(loss) from intra-group transactions eliminated on consolidation	1,103,520,000	(3,106,620,139)
Other adjustments for taxable income	(1,150,825,145)	11,696,533,110
Taxable income	85,761,309,883	536,185,258,300
Normal tax rate	20%	20%
Corporate income tax payable	17,152,261,977	107,237,051,660
Corporate income tax for the previous year	363,723,331	3,562,815,822
Current corporate income tax expense	17,515,985,308	110,799,867,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (continued)**10. Basic earnings per share**

	2022	2021 (Restated)
	VND	VND
Net profit attributable to the owners of parent Company	6,003,517,612	314,411,664,779
Less: Appropriation of bonus and welfare funds and remuneration for the Boards of Management and Supervisory	(300,175,881)	(16,120,128,239)
Net profit attributable to the ordinary shareholders of the parent Company	5,703,341,731	298,291,536,540
Weighted average number of ordinary shares	100,159,795	100,159,795
Basic earnings per share	57	2,978

Net profit attributable to the calculation of basic earnings per share for the current year has been adjusted and deducted from the appropriation of bonus and welfare funds, remuneration for the Boards of Management and Supervisory at the rate of 5% from planning net profit after tax for the year 2022 according to the Resolution of Annual General Meeting of Shareholders 2021 dated 26 April 2022.

Basic earnings per share for the year ended 31 December 2021 have been re-adjusted according to the actual appropriation of bonus and welfare funds, and remuneration for the Boards of Management and Supervisory from the profit of 2020 under the Resolution of Annual General Meeting of Shareholders 2021.

VII. OTHER INFORMATION**1. Related parties**

<u>List of related parties</u>	<u>Relationship</u>
CII Company	Shareholder have significant influence
Hung Thanh Construction - Trading - Service - Manufacturing Company Limited	Subsidiary
Huong Tra Company Limited	Subsidiary
Quang Ngai Mineral Investment Joint Stock Company	Subsidiary
Tam Phu Investment & Construction Company Limited	Associate
Khu Bac Thu Thiem Company Limited	Related party of CII Company
NBB Quang Ngai One Member Company Limited	Related party of CII Company
CII Engineering and Construction Joint Stock Company	Related party of CII Company
CII Infrastructure Service Limited Company	Related party of CII Company
Sai Gon Dan Kia Water Supply Corporation	Related party of CII Company
Lu Gia Real Estate Trading Invesment Company Limited	Related party of CII Company
Ha Noi Highway Construction and Investment Joint Stock Company	Related party of CII Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII. OTHER INFORMATION (continued)**1. Related parties (continued)**

In addition to the balances and transactions with related parties which have been presented in other notes of these consolidated financial statements, during the year, the Company entered into other significant transactions with related parties as follows:

	2022 VND	2021 VND
CII Company		
Cash outflow for project investment cooperation	1,150,000,000,000	-
Proceeds from capital contribution for investment cooperation	371,266,082,192	200,513,213,000
Repayment of capital contribution for investment cooperation	39,000,000,000	272,250,000,000
Costs arising from investment cooperation contract	41,571,023,404	14,692,547,966
Proceeds from financial support	-	130,000,000,000
Repayment of financial support	-	5,000,000,000
Khu Bac Thu Thiem Company Limited		
Cash outflow for investment cooperation	-	615,000,000,000
Cash recovered from capital contribution for investment cooperation	146,848,247,018	52,088,652,052
Proceeds from financial support	86,000,000,000	-
Purchasing fixed assets	1,580,909,091	-
NBB Quang Ngai One Member Company Limited		
Purchasing materials and construction cost	11,133,832,564	14,592,529,286
CII Engineering and Construction Joint Stock Company		
Cash outflow for construction of De Lagi project	630,032,948,046	64,420,793,200
Proceeds from financial support	350,000,000,000	-
Project construction cost	102,719,116,737	18,252,819,490
CII Infrastructure Service Limited Company		
Project construction cost	-	244,434,280
Lu Gia Real Estate Trading Invesment Company Limited		
Proceeds from financial support	400,000,000,000	-
Ha Noi Highway Construction and Investment JSC.		
Proceeds from financial support	400,000,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII. OTHER INFORMATION (continued)**1. Related parties (continued)****Remuneration for the Boards of Management, Supervisory and General Directors during the year:**

	2022 VND	2021 VND
Board of Management		
Mr. Luu Hai Ca	522,535,157	371,134,021
Ms. Nguyen Quynh Huong	495,436,563	823,917,526
Mr. Le Quoc Binh	457,326,058	371,134,021
Mr. Nguyen Van Chinh	381,105,048	309,278,351
Mr. Nguyen Ba Lan	158,793,770	309,278,351
Mr. Doan Tuong Trieu (resigned)	154,639,175	-
Mr. Pham Thanh Vu	31,758,754	-
Board of Supervisory		
Ms. Duong Quynh Diep	381,105,048	309,278,351
Mr. Le Trung Hieu	190,552,524	154,639,175
Ms. Le Thi Kieu Diem	190,552,524	154,639,175
Board of General Directors		
Mr. Nguyen Ba Lan	1,980,769,231	764,590,077
Mr. Nguyen Quy Binh	1,596,923,077	1,354,000,000
Mr. Mai Thanh Truc	1,520,000,000	1,449,000,000
Mr. Truong Hai Dang Khoa (resigned)	1,382,857,143	1,889,000,000
Mr. Luu Hai Ca	-	1,495,000,000
Chief accountant		
Mr. Nguyen Van Minh	1,368,076,923	1,047,884,615

2. Segment report

For management purposes, the Company is organized into different business units. Accordingly, the primary segment report is based on type of production and business activities.

Segment reporting results include items directly attributable to a segment and to segments that are divided on a reasonable basis. The items not allocated to segment reporting results include assets, liabilities, financial income, financial expenses, selling expenses, general and administrative expenses, other profit, losses and corporate income tax.

The Company's business divisions include two (02) divisions as follows:

- Real estate sector: Investing, developing and selling apartments, land plots and other infrastructures.
- Other activities: Leasing premises and providing utility services.

The Company prepares segment reports following 2 business units. Business results of each segment are presented in the table below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII. OTHER INFORMATION (continued)**2. Segment report (continued)****For the year ended 31 December 2022**

	Real estate sector VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
External customers	438,406,779,649	27,955,177,363	-	466,361,957,012
Inter-segment	-	3,398,752,506	(3,398,752,506)	-
Net revenue of segment	438,406,779,649	31,353,929,869	(3,398,752,506)	466,361,957,012
Cost of sales of segment	209,508,288,419	30,106,485,009	-	239,614,773,428
Gross profit /(loss) of segment	228,898,491,230	1,247,444,860	(3,398,752,506)	226,747,183,584
Financial income				151,411,222,870
Financial expenses				259,786,006,383
Selling expenses				2,922,155,477
General and administration expenses				42,550,206,674
Other income				2,110,549,456
Other expenses				51,360,379,930
Current corporate income tax expense				17,515,985,308
Deferred corporate tax income				(1,042,301,794)
Net profit after tax				7,176,523,932

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII. OTHER INFORMATION (continued)**2. Segment report (continued)****For the year ended 31 December 2021**

	Real estate sector VND	Other activities VND	Elimination of intra-group transactions VND	Total VND
External customers	537,752,096,740	27,479,505,196	-	565,231,601,936
Inter-segment	-	2,603,095,745	(2,603,095,745)	-
Net revenue of segment	537,752,096,740	30,082,600,941	(2,603,095,745)	565,231,601,936
Cost of sales of segment	276,911,501,946	33,121,862,537	-	310,033,364,483
Gross profit /(loss) of segment	260,840,594,794	(3,039,261,596)	(2,603,095,745)	255,198,237,453
Financial income				434,722,605,516
Financial expenses				165,859,558,529
Selling expenses				3,081,056,166
General and administration expenses				66,459,390,277
Other income				20,033,705,435
Other expenses				53,679,618,679
Current corporate income tax expense				110,799,867,482
Deferred corporate tax income				(3,017,559,598)
Net profit after tax				313,092,616,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

VII. OTHER INFORMATION (continued)**3. Operating lease commitments**

	2022 VND	2021 VND
Office rental expenses recognized in the consolidated income statement for the year	-	-
At balance sheet date, the Company had the outstanding commitment under non-cancellable operating lease, which fall due as follows:		
	31/12/2022 VND	01/01/2022 VND
Within one year	13,200,000,000	-
In the second year	13,200,000,000	-
In the third to fifth year inclusive	13,200,000,000	-
Total	39,600,000,000	-

Operating lease commitments represent the lease of three (03) floors of Carina Plaza owned by CII Company at 1648 Vo Van Kiet, Ward 16, District 8, Ho Chi Minh City, Vietnam. The lease contract has a term of 3 years from 2023 to 2025.

4. Information supplementing the items in the consolidated cash flow statement

	2022 VND	2021 VND
Proceeds from borrowings during the year		
Proceeds from related parties	1,236,000,000,000	130,000,000,000
Proceeds from borrowing under normal contracts	909,474,989,702	451,163,288,496
Proceeds from issuance of bonds	-	490,000,000,000
Total	2,145,474,989,702	1,071,163,288,496
	2022 VND	2021 VND
Repayment of borrowings during the year		
Repayment of borrowings to related parties	-	5,000,000,000
Repayment of borrowings under normal contracts	142,457,714,220	257,715,794,210
Repayment of bond principals	60,000,000,000	140,000,000,000
Total	202,457,714,220	402,715,794,210

5. Contingent liabilities

In note V.21, The Company has used available information and assumptions to estimate the reasonable land use levies of the Diamond Riverside project and City Gate Towers Apartment project in the amount of VND 201 billion and VND 120 billion, respectively. As of the date of this report, the Company has not yet finalized the land use levies with the competent authority to accurately determine the amount payable to the State budget. Therefore, the land use levies of the project may differ from the value that the Company has estimated and recognized in the consolidated income statement.

As of 16 February 2022, the investigation agency completed files for the fire incident at Carina Apartment. Consequences caused by the fire have been agreed to compensate by the investor and victims. Some disagreed compensation claims shall be resolved during the trial of the case. However, the Company's Board of Directors considers that these obligations will not have a material impact on the consolidated financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

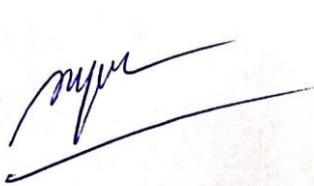
VII. OTHER INFORMATION (continued)**6. Comparative figures**

The comparative figures are those of the audited consolidated financial statements for the year ended 31 December 2021.

4. Subsequent events

On 15 March 2023, the Boards of Management approved the investment cooperation contract to receive a maximum amount of VND 750 billion from CII Engineering and Construction Joint Stock Company, a related party. The Company is expected to distribute profit with a fixed interest rate of 14% per annum on the contributed capital received.

Other than the event stated above, there have been no significant events occurring after the balance sheet date which would require adjustments or disclosure in the consolidated financial statements.



Nguyen Tran Phuong Uyen
Preparer



Nguyen Van Minh
Chief Accountant



Nguyen Ba Lan
General Director

Ho Chi Minh City, 27 March 2023