

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate

No. 0301429113 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 29 July 2010 and its latest 15th amended Enterprise registration certificate dated 3 November 2023.

Board of Directors

Mr. Nguyen Van Huan	Chairman
Mr. Phan Van Chinh	Vice Chairman
Mr. Le Bao Anh	Vice Chairman (Appointed on 15 May 2023)
Mr. Nguyen Thien Tam	Vice Chairman (Appointed on 15 May 2023)
Mr. Le Huu Viet Duc	Vice Chairman (Resigned on 12 May 2023)
Mr. Nguyen Huu Nam	Vice Chairman (Resigned on 12 May 2023)
Mr. Nguyen Thanh Vinh	Member

Audit Committee

Mr. Nguyen Thanh Vinh	Chairman
Mr. Phan Van Chinh	Member

Board of Management

Mr. Le Bao Anh	General Director
Mr. Nguyen Viet Hung	Deputy General Director
Mr. Nguyen Van Ngoc	Deputy General Director
Mr. Dinh Van Hung	Deputy General Director
Mr. La Thai Hiep	Deputy General Director (Appointed on 4 August 2023)
Mr. Pham Canh Dong	Deputy General Director (Appointed on 4 August 2023)
Mr. Tran Minh Doanh	Deputy General Director (Appointed on 1 December 2023)
Mr. Nguyen Van Tuan	Deputy General Director (Appointed on 1 March 2024)
Mr. Pham Van Ky Trung	Deputy General Director (Resigned on 1 January 2023)
Mr. Vu Gia Binh	Deputy General Director (Resigned on 1 February 2023)
Mr. Tran Huu Phong	Deputy General Director (Resigned on 10 June 2023)
Mr. Hoang Trung Thanh	Deputy General Director (Resigned on 1 March 2024)
Mr. Ha Van Han	Deputy General Director (Resigned on 1 March 2024)

Legal representative

Mr. Le Bao Anh	General Director
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Head office

111A Pasteur Street, Ben Nghe Ward, District 1,
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Construction Corporation No.1 Joint Stock Company ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the financial position of the Group as at 31 December 2023, and the results of its operations and its cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

Approval of the consolidated financial statements

We hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 68 which give a true and fair view of the financial position of the Group as at 31 December 2023, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Le Bao Anh
General Director

Ho Chi Minh City, SR Vietnam
28 March 2024



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Construction Corporation No.1 Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared by the Board of Management on 31 December 2023 and approved by the Board of Directors of the Company on 28 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 68.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines as necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to 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 an assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and true and fair presentation of the consolidated 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2023, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The report on review of consolidated financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Luong Thi Anh Tuyen
Audit Practising Licence No.
3048-2024-006-1
Authorised signatory

Nguyen Ngoc Khanh
Audit Practising Licence No.
5401-2021-006-1

Report reference number: HCM15249
Ho Chi Minh City, 28 March 2024

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			2023 VND	2022 VND
100	CURRENT ASSETS		9,907,181,385,198	10,489,132,393,159
110	Cash and cash equivalents	3	2,721,289,783,761	1,639,094,598,394
111	Cash		1,861,454,705,248	1,214,305,407,325
112	Cash equivalents		859,835,078,513	424,789,191,069
120	Short-term investment		131,821,000,000	205,337,831,336
123	Investments held to maturity	4(a)	131,821,000,000	205,337,831,336
130	Short-term receivables		5,881,061,348,458	7,300,882,535,046
131	Short-term trade accounts receivable	5	1,607,671,823,888	2,331,590,260,607
132	Short-term prepayments to suppliers	6	3,309,983,510,163	3,667,111,965,417
135	Short-term lendings	7(a)	30,302,786,643	215,482,512,260
136	Other short-term receivables	8(a)	1,092,504,570,089	1,125,890,286,844
137	Provision for doubtful debts – short-term	9	(159,401,342,325)	(39,192,490,082)
140	Inventories	10	927,861,827,508	1,006,428,454,372
141	Inventories		928,304,332,513	1,007,329,905,398
149	Provision for decline in value of inventories		(442,505,005)	(901,451,026)
150	Other current assets		245,147,425,471	337,388,974,011
151	Short-term prepaid expenses		25,929,813,007	9,601,373,862
152	Value added tax ("VAT") to be reclaimed	12(c)	93,534,366,007	241,594,933,765
153	Tax and other receivables from the State	12(a)	125,683,246,457	86,192,666,384

The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			2023 VND	2022 VND
200	LONG-TERM ASSETS		5,043,196,244,281	5,094,001,285,993
210	Long-term receivables		1,215,947,334,292	1,201,084,857,822
215	Long-term lendings	7(b)	47,209,442,412	55,050,617,139
216	Other long-term receivables	8(b)	1,168,737,891,880	1,146,034,240,683
220	Fixed assets		159,547,535,124	387,404,265,117
221	Tangible fixed assets	13(a)	92,933,403,703	308,523,945,788
222	Historical cost		2,483,896,566,374	2,934,679,362,087
223	Accumulated depreciation		(2,390,963,162,671)	(2,626,155,416,299)
224	Finance lease fixed assets	14	23,424,788,410	29,806,144,633
225	Historical cost		24,744,952,728	40,243,548,634
226	Accumulated depreciation		(1,320,164,318)	(10,437,404,001)
227	Intangible fixed assets	13(b)	43,189,343,011	49,074,174,696
228	Historical cost		50,775,628,373	56,263,021,773
229	Accumulated amortisation		(7,586,285,362)	(7,188,847,077)
230	Investment properties	15	489,013,421,151	514,131,295,248
231	Historical cost		745,951,936,236	745,951,936,236
232	Accumulated depreciation		(256,938,515,085)	(231,820,640,988)
240	Long-term asset in progress		2,585,778,168,705	2,118,253,260,662
242	Construction in progress	16	2,585,778,168,705	2,118,253,260,662
250	Long-term investments		529,395,572,186	767,774,061,910
252	Investments in associates	4(b)	459,576,755,364	649,551,695,249
253	Investments in other entities	4(c)	63,818,816,822	109,022,366,661
254	Provision for long-term investments	4(c)	-	(1,800,000,000)
255	Investments held to maturity	4(a)	6,000,000,000	11,000,000,000
260	Other long-term assets		63,514,212,823	105,353,545,234
261	Long-term prepaid expenses	11	48,855,576,932	89,749,941,808
262	Deferred income tax assets		14,658,635,891	15,603,603,426
270	TOTAL ASSETS		14,950,377,629,479	15,583,133,679,152

The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at	
			2023 VND	2022 VND
300	LIABILITIES		10,702,927,085,088	11,421,186,317,434
310	Short-term liabilities		7,345,668,472,751	6,096,450,980,649
311	Short-term trade accounts payable	17(a)	1,231,751,243,153	1,451,963,111,786
312	Short-term advances from customers	18(a)	2,774,640,351,533	1,657,746,600,822
313	Tax and other payables to the State	12(b)	71,573,206,657	52,577,561,726
314	Payables to employees		50,386,306,827	76,142,747,814
315	Short-term accrued expenses	19(a)	835,350,187,854	425,316,597,089
318	Short-term unearned revenue	20	2,882,525,447	7,579,914,051
319	Other short-term payables	21(a)	16,105,854,466	212,180,757,773
320	Short-term borrowings and finance lease liabilities	22(a)	2,347,796,501,945	2,206,577,600,108
321	Provision for short-term liabilities		13,900,431,965	-
	Bonus and welfare fund		1,281,862,904	6,366,089,480
330	Long-term liabilities		3,357,258,612,337	5,324,735,336,785
331	Long-term trade accounts payable	17(b)	419,305,162,765	287,871,749,879
332	Long-term advances from customers	18(b)	133,695,678,000	133,695,678,000
333	Long-term accrued expenses	19(b)	174,782,794,386	153,291,166,428
336	Long-term unearned revenue	20	26,236,766,880	28,927,717,332
337	Other long-term payables	21(b)	662,444,209,204	145,594,642,780
338	Long-term borrowings and finance lease liabilities	22(b)	1,940,794,001,102	4,561,453,950,401
342	Provision for long-term liabilities		-	13,900,431,965

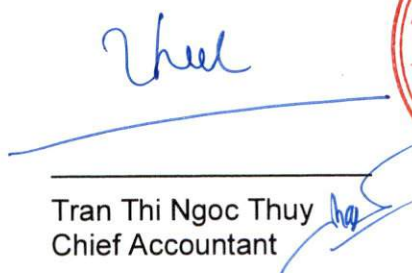
The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES (continued)	Note	As at	
			2023 VND	2022 VND
400	OWNERS' EQUITY		4,247,450,544,391	4,161,947,361,718
410	Capital and reserves		4,247,450,544,391	4,161,947,361,718
411	Owners' capital	23, 24	3,585,078,250,000	3,289,344,690,000
411a	- Ordinary shares with voting rights	23, 24	3,585,078,250,000	3,289,344,690,000
412	Share premium	24	99,327,851,808	99,327,851,808
415	Treasury shares	24	(4,796,760,000)	(4,796,760,000)
416	Differences upon asset revaluation	24	7,541,162,560	3,723,344,866
417	Foreign exchange differences	24	15,503,864	-
418	Investment and development fund	24	20,427,863,619	23,371,612,584
421	Undistributed earnings	24	270,447,583,131	346,763,952,921
421a	- Undistributed post-tax profits of previous years		50,934,923,463	129,936,559,607
421b	- Post-tax profits of current year		219,512,659,668	216,827,393,314
429	Non-controlling interests	24	269,409,089,409	404,212,669,539
440	TOTAL RESOURCES		14,950,377,629,479	15,583,133,679,152



Dinh Thi Hong Ngoc
Preparer



Tran Thi Ngoc Thuy
Chief Accountant




Le Bao Anh
General Director
28 March 2024

CONSOLIDATED INCOME STATEMENT

Code	Note	For the year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	5,613,268,322,648	6,436,694,928,328
02	Less deductions	(2,002,171,100)	(982,828,450)
10	Net revenue from sales of goods and rendering of services	27 5,611,266,151,548	6,435,712,099,878
11	Cost of goods sold and services rendered	28 (5,282,695,416,137)	(5,938,878,565,364)
20	Gross profit from sales of goods and rendering of services	328,570,735,411	496,833,534,514
21	Financial income	29 789,609,153,918	324,287,749,411
22	Financial expenses	30 (473,997,725,728)	(423,069,690,544)
23	- Including: Interest expense	30 (431,933,840,855)	(371,880,989,687)
24	Profit shared from associates	4(b) 18,004,534,566	4,451,804,813
25	Selling expenses	(3,101,777,275)	(30,593,324,167)
26	General and administration expenses	31 (347,952,792,036)	(189,849,618,407)
30	Net operating profit	311,132,128,856	182,060,455,620
31	Other income	3,030,156,212	111,105,792,563
32	Other expenses	(12,276,521,528)	(7,324,266,176)
40	Net other (expenses)/income	32 (9,246,365,316)	103,781,526,387
50	Accounting profit before tax	301,885,763,540	285,841,982,007
51	Corporate income tax ("CIT") - current	33 (81,471,464,705)	(68,320,958,952)
52	CIT - deferred	33 -	5,136,511,135
60	Profit after tax	220,414,298,835	222,657,534,190
Attributable to:			
61	Owners of the parent company	219,512,659,668	216,827,393,314
62	Non-controlling interests	901,639,167	5,830,140,876
70	Basic earnings per share	25 651	681
71	Diluted earnings per share	25 651	681

Dinh Thi Hong Ngoc
Preparer

Tran Thi Ngoc Thuy
Chief Accountant

Le Bao Anh
General Director
28 March 2024



The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the year ended 31 December	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	301,885,763,540	285,841,982,007
	Adjustments for:		
02	Depreciation and amortisation	48,765,723,716	73,612,562,900
03	Provision/(reversal) of provisions	153,377,456,928	(136,544,772,708)
04	Unrealised foreign exchange losses	36,118,611,504	43,610,557,871
05	Profits from investing activities	(781,721,019,663)	(425,910,237,333)
06	Interest expense	431,933,840,855	376,479,809,665
08	Operating profit before changes in working capital	190,360,376,880	217,089,902,402
09	Decrease/(increase) in receivables	1,462,279,457,542	(1,729,279,016,224)
10	Decrease in inventories	79,025,572,885	249,865,344,297
11	Increase in payables	1,726,267,219,884	423,942,542,830
12	Decrease/(increase) in prepaid expenses	24,565,925,731	(1,194,247,884)
14	Interest paid	(452,513,711,410)	(338,953,274,782)
15	CIT paid	(67,361,594,442)	(55,339,680,718)
17	Other payments on operating activities	(5,528,164,910)	-
20	Net cash inflows/(outflows) from operating activities	2,957,095,082,160	(1,233,868,430,079)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(422,969,794,066)	(721,105,543,018)
22	Proceeds from disposals of fixed assets	301,216,364	35,829,628,250
23	Lendings granted and term deposits	(136,321,000,000)	(868,760,790,240)
24	Collection of lendings and term deposits	405,623,368,969	1,266,676,242,055
25	Investments in other entities	(94,000,000,000)	(1,665,067,160,872)
26	Proceeds from divestment of investments in other entities	294,993,816,000	241,317,528,881
27	Dividends and interest received	98,724,756,432	260,052,382,348
30	Net cash inflows/(outflows) from investing activities	146,352,363,699	(1,451,057,712,596)

The notes on pages 12 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)
(continued)

		For the year ended 31 December	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from shares issuance	3,000,000,000	2,222,607,773,220
33	Proceeds from short-term and long-term borrowings	4,068,068,361,499	6,025,571,699,159
34	Repayments of borrowings	(6,087,867,162,577)	(5,228,262,133,264)
35	Finance lease principal repayments	(4,565,892,681)	(11,594,367,775)
36	Dividends paid to shareholders	(14,911,200)	(7,940,953,605)
40	Net cash (outflows)/inflows from financing activities	(2,021,379,604,959)	3,000,382,017,735
50	Net increase in cash and cash equivalents	1,082,067,840,900	315,455,875,060
60	Cash and cash equivalents at beginning of year	3	1,639,094,598,394
61	Effect of foreign exchange differences		127,344,467
70	Cash and cash equivalents at end of year	3	2,721,289,783,761
			1,639,094,598,394

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



Dinh Thi Hong Ngoc
Preparer



Tran Thi Ngoc Thuy
Chief Accountant



Le Bao Anh
General Director
28 March 2024

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****1 GENERAL INFORMATION**

Construction Corporation No 1 Joint Stock Company ("the Company") is a joint stock company established in SR Vietnam pursuant to investment certificate No. 0301429113 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 29 July 2010 with the latest 15th amendment dated 3 November 2023.

The Company's shares are listed on the UPCoM Stock Exchange of Hanoi Stock Exchange ("HNX") with the stock trading code CC1. Details of the percentage of contributed capital of shareholders are presented in Note 23.

Normal business cycle of the Company and subsidiaries ("the Group") is from the point of time when the Group purchase material for construction procedures to the point of time when construction works are accomplished.

The Group's business activities are construction and real estate business.

The Group's principal activities are:

- Construction, building and installing machinery and equipment for civil and industrial works, industry, traffic, irrigation, hydropower, postal, foundations, urban and industrial infrastructure engineering works, power line projects, power transformer stations;
- Construction consulting, construction investment, electricity business;
- Premise and office leasing services;
- Producing and trading supplies, construction technology, construction materials;
- Designing and manufacturing precast concrete products;
- Designing and building civil and industrial constructions, infrastructure; and
- Real estate business.

The Group has registered office at 111A Pasteur Street, Ben Nghe Ward, District 1, Ho Chi Minh City. As at 31 December 2023, the Group had 6 branches (as at 31 December 2022: 3 branches) as below:

- Branch of Construction Corporation No 1 Joint Stock Company - Central: No. 10 Dang Huy Ta, Hoa Minh Ward, Lien Chieu District, Da Nang City, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company: No. 45, Alley 61, Lane 17, Phung Chi Kien Street, Nghia Do Ward, Cau Giay District, Hanoi City, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company - Cambodia: Lot 185 Room 1508, 15th Floor, St.329 Ph.3 Sk.Boeng Kak 2 Kh.Tuol Kouk, Phnom Penh, Cambodia;
- Branch of Construction Corporation No 1 Joint Stock Company - Dong Thap: No. 79 Le Thi Rieng, Ward 1, Cao Lanh City, Dong Thap Province, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company - Phu Yen: No.99 Le Thanh Phuong, Ward 8, Tuy Hoa City, Phu Yen Province, Vietnam; and
- Branch of Construction Corporation No 1 Joint Stock Company - Soc Trang: Plot no. 93, Map sheet no. 76, Provincial Road 8, Hoi Trung Hamlet, Lich Hoi Thuong Town, Tran De District, Soc Trang Province, Vietnam.

As at 31 December 2023, the Group had 1,152 employees (as at 31 December 2022: 1,767 employees).

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

As at 31 December 2023, the Group had 7 subsidiaries and 6 associates (as at 31 December 2022: 7 subsidiaries and 7 associates). Details are presented as below:

No.	Company Name	Principal activities	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Subsidiaries							
1	CC1 Trading Services Joint Stock Company	Trading and services	Ho Chi Minh City	98.00	98.00	98.00	98.00
2	No.1 Viet Quang Construction Joint Stock Company	Construction of civil, industrial, traffic, infrastructure, hydropower, irrigation works	Ho Chi Minh City	94.71	94.71	94.71	94.71
3	Hai Phong Coast Road Investment Company Limited	Construction of railways and road projects	Hai Phong City	75.00	75.00	75.00	75.00
4	Vina-PSMC Precast Concrete Company Limited	Producing concrete and products from cement and gypsum	Long An Province	70.00	70.00	70.00	70.00
5	CC1 Investment Joint Stock Company (i)	Construction and trading	Ho Chi Minh City	65.00	65.00	-	-
6	Dong Nai Bridge Investment and Construction Joint Stock Company	Construction of railway and road works, construction of civil works	Dong Nai Province	63.59	63.59	63.59	63.59
7	Krong Pac Investment and Development Joint Stock Company (ii)	Trading real estates and land use rights	Dak Lak Province	50.50	75.00	-	-
8	Mekong No.1 Construction Investment Joint Stock Company (iii)	Producing concrete and products from cement and gypsum	Ho Chi Minh City	-	-	51.00	51.00
9	No.1 Viet Nguyen Construction Joint Stock Company (iii)	Construction of civil, industrial, traffic, infrastructure, hydropower, irrigation works	Ho Chi Minh City	-	-	51.00	51.00

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

No.	Company Name	Principal activities	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Associates							
1	3H Building Materials Joint Stock Company	Sales of materials and other installation equipment in construction	Ho Chi Minh City	49.00	49.00	49.00	49.00
2	Materials and Agricultural Product Number 1 Joint Stock Company (iv)	Mining, collecting coal and produce construction materials, food processing and others construction civil works	Ho Chi Minh City	47.00	47.00	-	-
3	No.1 Viet Hung Construction Joint Stock Company	Manufacture of concrete and products from cement and plaster, construction of railways, roads, and other civil works	Ho Chi Minh City	40.80	40.80	40.80	40.80
4	Chuong Duong Joint Stock Company	Construction of houses and other civil works	Ho Chi Minh City	23.77	23.77	23.77	23.77
5	Mien Trung Construction and Manufacture Building Materials Joint Stock Company	Producing construction stone processing products, constructing other civil engineering works	Quang Ngai Province	22.38	22.38	22.38	22.38
6	No.1 Viet Tong Construction Joint Stock Company	Construction of railway and road works, construction of civil works	Ho Chi Minh City	20.40	20.40	20.40	20.40
7	Nhan Phuc Duc Investment Joint Stock Company (v)	Construction of houses and other civil works	Ho Chi Minh City	4.53	4.53	34.00	34.00
8	CC1 North Investment and Construction Joint Stock Company (v)	Construction of civil engineering works	Ha Noi City	-	-	40.00	40.00

1 GENERAL INFORMATION (continued)

- (i) According to the Resolution of the Board of Directors No. 119/NQ-HDQT dated 8 August 2023, the Board of Directors decided to contribute capital to establish CC1 Investment Joint Stock Company ("CC1 Investment"). CC1 Investment has a registered charter capital of VND200,000,000,000. As at the date of these consolidated financial statements, the Company has completed the capital contribution to this subsidiary.
- (ii) According to the Resolution of the Board of Directors No. 161/NQ-HDQT dated 24 October 2023, the Board of Directors decided to contribute capital to establish Krong Pac Investment and Development Joint Stock Company ("Krong Pac"). Krong Pac has a registered charter capital of VND130,000,000,000. As at the date of these consolidated financial statements, the Company has completed the capital contribution to this subsidiary.

As at 31 December 2023, the proportion of ownership is less than the proportion of voting right because the capital structure of Krong Pac includes capital contribution from the Company and capital contribution from CC1 Investment.

- (iii) According to the Resolution of the Board of Directors No. 263/NQ-HDQT dated 10 October 2022 and the Resolution of the Board of Directors No. 33/NQ-HDQT dated 9 March 2023, the Board of Directors has decided to transfer all shares of its investments of the Company in Mekong No.1 Construction Investment Joint Stock Company and No.1 Viet Nguyen Construction Joint Stock Company. As at the date of these consolidated financial statements, the Company has completed the transfers.
- (iv) According to the Resolution of the Board of Directors No. 49/NQ-HDQT dated 28 March 2023, the Board of Directors decided to contribute capital to establish Materials and Agricultural Product Number 1 Joint Stock Company. As at 31 December 2023, the Company has contributed in cash by VND94 billion, equivalent to 47% of ownership and of voting rights in this associate.
- (v) According to the Resolution of the Board of Directors No. 169/NQ-HDQT dated 21 November 2023, the Board of Directors decided to transfer shares of its investments of the Company in CC1 North Investment and Construction Joint Stock Company ("CC1 North"), Nhan Phuc Duc Investment Joint Stock Company ("Nhan Phuc Duc") and other investment in No.1 Viet Hoa Construction Joint Stock Company ("Viet Hoa"). As at the date of these consolidated financial statements, the Company has completed the transfers.

As at 31 December 2023, the remaining proportion of voting rights of the Company in Nhan Phuc Duc is 4.53%. Accordingly, the investment in Nhan Phuc Duc is presented as an investment in other entity (Note 4(c)).

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

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention except for investments in associates, and business combinations as presented in Note 2.5.

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

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

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

2.2 Fiscal year

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

2.3 Currency

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

2.4 Exchange rates

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

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

2.5 Basis of consolidation***Subsidiaries***

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

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

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

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

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

Non-controlling transactions and interests

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

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

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

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

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

Associates are investments that the Group has significant influence but not control over and the Group would generally have from 20% to less than 50% of the voting rights of the investee. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates in accordance with the current accounting policies.

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceeding a period of 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is carried at cost less accumulated amortisation, and is tested annually for impairment. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Cash and cash equivalents**

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

2.8 Receivables

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

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

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

Construction materials and construction work are stated at the lower of cost and net realizable value. Cost is determined by first-in, first-out method and includes all costs of purchase and other costs of acquiring construction materials and of constructing the work in its present location and condition. Net realizable value is the estimated selling price of building materials and construction works in the ordinary course of business, less the estimated costs of completion and transfer expenses.

The Group applies the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments****(a) Investments held to maturity**

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

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

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

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

(b) Investments in associates

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

(c) Investments in other entities

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the period end. Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated based on the loss of investees.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Lendings**

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

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the expected loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

2.12 Construction contracts

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the year of the contract as revenue and expenses, respectively for the works performed and certified by customer. The compensation and other revenue are only recognised in revenue when certified by customer.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Business cooperation contract**

A business cooperation contract ("BCC") is a contract between the Group and other parties to carry out specific business activities without establishing a new legal entity. These activities are controlled by one of the parties. The BCC is based on shares of post-tax profits. The parties in a BCC may agree to share profits after tax.

A BCC in the form of shares of profits after tax is jointly controlled or controlled by one party.

- If a BCC states that each party is entitled to a fixed amount of profit regardless of the performance of the BCC, it is a lease of asset in substance.
- If the BCC states that each party is entitled to profits when the BCC is profitable and is required to bear losses when the BCC is loss making, in substance, the BCC parties share revenue and expenses because each party can jointly control the operation and cash flows of the BCC.

When the Group is not in charge of accounting and tax finalisation, the Group accounts for its proportionate share of revenue and expenses from the BCC.

2.14 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

Buildings and structures	3 – 30 years
Machinery and equipment	3 – 15 years
Motor vehicles	6 – 10 years
Office equipment	3 – 10 years
Software	3 years
Others	5 years
Land use rights	50 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Fixed assets (continued)**

Land use rights comprise of land use rights and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted, including:

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

Other tangible fixed assets, which is the Dong Nai Bridge project, is depreciated according to the provisions of Circular No. 147/2016/TT-BTC dated 13 October 2016. Depreciation of fixed assets is determined as the exploitation period to return the investor's investment in the project. The depreciation of fixed assets is proportional to the annual revenue in accordance with the exploitation period to collect to return the investor's investment in the project (similar to the method of depreciation according to the quantity and volume of products).

Disposal

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

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipments; compensation and resettlement costs; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.15 Operating lease

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased assets or the present value of the minimum lease payments.

Each lease payment is separate between the liability and finance charges to achieve a constant rate on the outstanding finance lease balance. The corresponding rental obligations, net of finance charge, are included in long-term borrowings.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Operating lease (continued)**

The interest element of the finance cost is charged to the income statement over the lease term. The property, plant and equipment acquired under finance leasing contracts is depreciated on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

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

2.16 Investment properties held for lease

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

Depreciation

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

Land use rights	50 years
Buildings and structures	25 years

Disposals

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

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

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayments. Long-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayments. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.18 Payables

Classifications of payables are based on their nature as follows:

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

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

2.19 Borrowings and finance lease liabilities

Borrowings and finance lease liabilities include borrowings and finance lease liabilities from banks and other entities; and bonds issuance.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Accrued expenses**

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

2.21 Provisions

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

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

2.22 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for asset leases. The Group records unearned revenue for the future obligations that the Group has to fulfil. Unearned revenue is recognised as revenue in the consolidated income statement during the year to the extent that revenue recognition criteria have been met.

Unearned revenue is classified short-term and long-term on the consolidated balance sheet based on the obligations that the Group will perform within next 12 months or normal business cycle and after next 12 months or after normal business cycle as at consolidated balance sheet date.

2.23 Capital and reserves

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Capital and reserves (continued)**

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Group's accumulated results after CIT at the reporting date.

2.24 Appropriation of profit

The Group's dividends are recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Group's General Meeting of Shareholders and shareholder list, who received the dividends, is according to resolution of Board of Directors.

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

The Group's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from profit after CIT of the Group and approved by shareholders at the General Meeting of Shareholders. This fund is used for the Group's expansion of its operation or in-depth investments.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from profit after CIT and subject to Shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the consolidated balance sheet. This fund is used for purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefit of the Group.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Revenue recognition (continued)****(a) Revenue from sales of goods (continued)**

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

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

(b) Revenue from construction contract

Revenues from construction contracts are comprised of the revenue initially set out in contracts; increases and/or decreases during the term of the contract; bonuses; and other payments to be received from customers or other parties to compensate for the costs not included in the contractual price; other payments that customers agreed to compensate; and other payments provided that these amounts can change the revenue and can be reliably determined. Revenue from construction contracts is recognised in accordance with the guidance presented in Note 2.12.

(c) Revenue from rendering of services

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

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

(d) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

(e) Income from dividend and profit distributed

Income from dividend and profit distributed is recognised when the Group has established receiving rights from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 Sales deductions**

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

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

2.27 Cost of goods sold and services rendered

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudent basis.

2.28 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of borrowing; provision for diminution in value of investments; losses incurred when selling foreign currencies; losses from foreign exchange differences; and payment discounts.

2.29 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services.

2.30 General and administration expenses

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

2.31 Current and deferred income tax

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Current and deferred income tax (continued)**

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

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

2.32 Related parties

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

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

2.33 Segment reporting

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

2.34 Critical accounting estimates

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.34 Critical accounting estimates (continued)**

The areas involving significant estimates and assumptions are as follows:

- Provision for short-term doubtful debts, provision for investments (Note 2.8, Note 2.10, Note 4, and Note 9);
- Estimated useful life of fixed assets and investment properties held for lease (Note 2.14, Note 2.16, Note 13(a), Note 13(b), Note 14 and Note 15);
- Accrued expenses (Note 19); and
- CIT (Note 33).

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

3 CASH AND CASH EQUIVALENTS

	2023 VND	2022 VND
Cash on hand	4,372,342,903	5,985,260,996
Cash at banks	1,857,082,362,345	1,200,014,363,329
Cash in transit	-	8,305,783,000
Cash equivalents (*)	859,835,078,513	424,789,191,069
	<u>2,721,289,783,761</u>	<u>1,639,094,598,394</u>

(*) As at 31 December 2023, cash equivalents were term deposits with original maturity of less than 3 months and earn interest at the rates from 2.1%/year to 5.0%/year (as at 31 December 2022: from 3.8%/year to 6%/year).

As at 31 December 2023, included in cash equivalents were bank term deposits with amount of VND635,425,694,123 (as at 31 December 2022: VND151,039,393,025) being pledged as collateral for borrowings (Note 22).

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

	2023		2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Short term deposits (i)	<u>131,821,000,000</u>	<u>131,821,000,000</u>	<u>205,337,831,336</u>	<u>205,337,831,336</u>
Long term bonds (ii)	<u>6,000,000,000</u>	<u>6,000,000,000</u>	<u>11,000,000,000</u>	<u>11,000,000,000</u>

- (i) As at 31 December 2023, investments held to maturity were term deposits with original maturity from 6 months to 12 months and earn interest at the rates from 2.9%/year to 9.2%/year (as at 31 December 2022: from 3.7%/year to 9.45%/year).
- (ii) As at 31 December 2023, long-term investments held to maturity were bonds at Vietnam Joint Stock Commercial Bank for Industry and Trade. The bonds earn interest at the reference rates plus a margin from 0.8%/year to 1.2%/year and matures on 30 July 2030.

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4 INVESTMENTS (continued)

(b) Investments in associates

STT	Company name	Percentage of ownership and voting right %	2023		Percentage of ownership and voting right %	2022	
			Cost VND	Value under equity method VND		Cost VND	Value under equity method VND
1	3H Building Materials Joint Stock Company	49.00	294,000,000,000	292,873,796,066	49.00	294,000,000,000	293,999,482,474
2	Materials and Agricultural Product Number 1 Joint Stock Company (Note 1(iv))	47.00	94,000,000,000	94,283,857,962	-	-	-
3	Chuong Duong Joint Stock Company	23.77	38,921,625,000	55,995,066,420	23.77	38,921,625,000	53,233,063,725
4	No.1 Viet Hung Construction Joint Stock Company	40.96	20,600,000,000	16,424,034,916	40.96	20,600,000,000	-
5	Mien Trung Construction and Manufacture Building Materials Joint Stock Company	22.38	3,735,000,000	-	22.38	3,735,000,000	-
6	No.1 Viet Tong Construction Joint Stock Company	20.40	2,040,000,000	-	20.40	2,040,000,000	-
7	CC1 North Investment and Construction Joint Stock Company (Note 1(v))	-	-	-	40.00	240,000,000,000	239,968,306,002
8	Nhan Phuc Duc Investment Joint Stock Company (Note 1(v))	-	-	-	34.51	65,953,125,000	62,350,843,048
			<u>453,296,625,000</u>	<u>459,576,755,364</u>			
						<u>665,249,750,000</u>	<u>649,551,695,249</u>

4 INVESTMENTS (continued)**(b) Investments in associates (continued)**

Movements in investments in associates during year are as follows:

	2023 VND	2022 VND
Beginning of year	649,551,695,249	116,154,301,025
Profit shared from associates	18,004,534,566	4,451,804,813
Increase due to investment in associate (Note 1(iv))	94,000,000,000	534,000,000,000
Decrease due to divestments	(301,979,474,451)	(5,054,410,589)
End of year	<u>459,576,755,364</u>	<u>649,551,695,249</u>

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4 INVESTMENTS (continued)

(c) Investment in other entities

STT	Company name	2023			2022		
		Book value VND	Fair value	Provision VND	Book value VND	Fair value	Provision VND
1	Thai Binh Cau Nghin Investment Joint Stock Company	27,000,000,000	(*)	-	27,000,000,000	(*)	-
2	Cam Lo - Tuy Loan BT Investment Company Limited	25,191,941,822	(*)	-	42,680,957,822	(*)	-
3	Nhan Phuc Duc Investment Joint Stock Company (Note 1(v))	10,426,875,000	(*)	-	-	(*)	-
4	CC1 - Quang Binh Investment Construction Company Limited	1,200,000,000	(*)	-	1,200,000,000	(*)	-
5	No.1 Viet Hoa Construction Joint Stock Company (Note 1(v))	-	-	-	2,141,408,839	(*)	(1,800,000,000)
6	Tan Van Real Estate Joint Stock Company (**)	-	-	-	36,000,000,000	(*)	-
		<u>63,818,816,822</u>		<u>-</u>	<u>109,022,366,661</u>		<u>(1,800,000,000)</u>

(*) As at 31 December 2023 and 31 December 2022, the Group had not determined the fair values of these investments to disclose on the consolidated financial statements because they are not listed on the stock market. The fair values of such investments may be different from their book values.

(**) This is an investment in other entity at Tan Van Real Estate Joint Stock Company ("Tan Van") of Mekong No. 1 Construction Investment Joint Stock Company ("Mekong"), a former subsidiary of the Group. In 2023, the Group completed the transfer of all shares in Mekong. Accordingly, the Group also divested its investment in Tan Van.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2023 VND	2022 VND
Third parties (*)	1,576,032,663,610	2,299,222,537,219
Related parties (Note 37(b))	31,639,160,278	32,367,723,388
	<u>1,607,671,823,888</u>	<u>2,331,590,260,607</u>

(*) As at 31 December 2023 and 31 December 2022, details for customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable – third parties are as follows:

	2023 VND	2022 VND
Project Construction and Management Joint Stock Company No 1	145,143,302,177	147,045,560,130
Transport and Industry Development Investment Joint Stock Company	143,296,773,523	185,845,457,177
Management Board of Civil and Industrial Construction Investment Project of Tien Giang Province	-	254,344,595,000
	<u>-</u>	<u>254,344,595,000</u>

Details of short-term trade accounts receivable that was past due or not past due but doubtful are presented in Note 9.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2023 VND	2022 VND
Third parties (*)	2,626,779,964,538	2,707,239,089,735
Related parties (Note 37(b))	683,203,545,625	959,872,875,682
	<u>3,309,983,510,163</u>	<u>3,667,111,965,417</u>

(*) As at 31 December 2023 and 31 December 2022, details for suppliers who had a balance accounting for 10% or more of the total balance of short-term prepayments to suppliers – third parties are as follows:

	2023 VND	2022 VND
Keytech Joint Stock Company	728,687,222,062	1,094,979,507,074
	<u>728,687,222,062</u>	<u>1,094,979,507,074</u>

Details of short-term prepayments to suppliers that were past due or not past due but doubtful are presented in Note 9.

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7 LENDINGS

(a) Short-term

	As at 1.1.2023 VND	Increase during the year VND	Collection in the year VND	Current portion of long term lendings VND	Revaluate foreign currency balances at year-end VND	As at 31.12.2023 VND
Third parties	151,000,000,000	3,500,000,000	(151,000,000,000)	-	-	3,500,000,000
Related parties (Note 37(b))	64,482,512,260	1,000,000,000	(48,285,537,633)	9,312,362,070	293,449,946	26,802,786,643
	<u>215,482,512,260</u>	<u>4,500,000,000</u>	<u>(199,285,537,633)</u>	<u>9,312,362,070</u>	<u>293,449,946</u>	<u>30,302,786,643</u>

(b) Long-term

	As at 1.1.2023 VND	Increase during the year VND	Collection in the year VND	Current portion of long term lendings VND	Revaluate foreign currency balances at year-end VND	As at 31.12.2023 VND
Related parties (Note 37(b))	<u>55,050,617,139</u>	<u>-</u>	<u>-</u>	<u>(9,312,362,070)</u>	<u>1,471,187,343</u>	<u>47,209,442,412</u>

As at 31 December 2023 and as at 31 December 2022, there was no balance of short-term and long-term lendings that were past due or not past due but doubtful.

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

	2023 VND	2022 VND
Third parties	1,077,714,430,267	1,125,423,619,844
Related parties (Note 37(b))	14,790,139,822	466,667,000
	<u>1,092,504,570,089</u>	<u>1,125,890,286,844</u>

As at 31 December 2023 and 31 December 2022, details of other short-term receivables are presented as follows:

	2023 VND	2022 VND
Receivable from transfers of investments (*)	720,930,000,000	-
Receivable from interests	167,057,547,000	83,621,589,000
Advances to employees	77,102,519,753	101,093,503,465
Receivable from business cooperation contract for Hai Ninh Urban Area project (**)	51,719,640,000	51,719,640,000
Receivable from business cooperation contract for Dong Trung Urban Area project	-	584,000,000,000
Receivable from business cooperation contract for Residential complex with trade - service	-	200,000,000,000
Others	75,694,863,336	105,455,554,379
	<u>1,092,504,570,089</u>	<u>1,125,890,286,844</u>

(*) This balance is related to the remaining receivable for divestment from investment in CC1 North, Nhan Phuc Duc and Viet Hoa. As at the date of these consolidated financial statements, these receivables has been collected.

(**) This balance is related to the business cooperation contract ("BCC") with Duc Chi Investment and Development Joint Stock Company to implement Hai Ninh 1 Urban Area project. The parties jointly establish a new project company to implement the current project with the charter capital ownership ratio in accordance with the agreed term of this contract.

As at 31 December 2023 and 31 December 2022, the balances of other short-term receivables which were past due or not past due but doubtful are presented in Note 9.

8 OTHER RECEIVABLES (continued)**(b) Long-term**

	2023 VND	2022 VND
Third parties	1,166,385,732,816	1,145,140,723,603
Related parties (Note 37(b))	2,352,159,064	893,517,080
	<u>1,168,737,891,880</u>	<u>1,146,034,240,683</u>

As at 31 December 2023 and 31 December 2022, details of other long-term receivables are presented as follows:

	2023 VND	2022 VND
Receivable from business cooperation contract for Tri An Lake View Project (*)	1,050,000,000,000	1,050,000,000,000
Receivable from business cooperation contract for Saigon - Thuan An Apartment Complex project (**)	38,505,000,000	-
Deposits	1,460,379,642	22,565,647,463
Others	78,772,512,238	73,468,593,220
	<u>1,168,737,891,880</u>	<u>1,146,034,240,683</u>

(*) This is a receivable related to the BCC on 30 July 2021 signed with Golden Land Real Estate Services Trading Investment Joint Stock Company for Tri An Lake View project implementation. The cooperation period of this BCC is 49 years. The Group participates in management and will be distributed profits based on the actual rate of capital contribution to the project.

(**) This is a receivable related to the BCC on 27 November 2023 signed with An Tam An Trading Service Company Limited for Saigon - Thuan An Apartment Complex project implementation. The cooperation period of this BCC is 3 years. After completing the initial procedures, the two parties jointly establish a new company for project implementation with the percentage of ownership ratio in accordance with the provisions of this contract.

As at 31 December 2023 and 31 December 2022, there was no balance of other long-term receivables that were past due or not past due but doubtful.

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9 DOUBTFUL DEBTS

	2023		
	Cost VND	Recoverable amount VND	Provision VND
Short-term trade accounts receivable	145,054,075,739	21,917,959,540	(123,136,116,199)
Construction activities stream	93,610,509,824	14,310,019,014	(79,300,490,810)
Sale of goods and materials stream	46,280,474,604	7,607,949,856	(38,672,524,748)
Others	5,163,100,641	-	(5,163,100,641)
Short-term prepayments to suppliers	47,266,823,841	18,382,282,751	(28,884,541,090)
Construction activities stream	32,272,920,543	16,963,483,963	(15,309,436,580)
Others	14,993,903,298	1,418,798,788	(13,575,104,510)
Other short-term receivables	7,380,685,036	-	(7,380,685,036)
	<u>199,701,584,616</u>	<u>40,300,242,291</u>	<u>(159,401,342,325)</u>
	2022		
	Cost VND	Recoverable amount VND	Provision VND
Short-term trade accounts receivable	41,728,077,791	3,012,709,581	(38,715,368,210)
Construction activities stream	10,761,802,600	-	(10,761,802,600)
Others	30,966,275,191	3,012,709,581	(27,953,565,610)
Short-term prepayments to suppliers	380,356,731	-	(380,356,731)
Other short-term receivables	96,765,141	-	(96,765,141)
	<u>42,205,199,663</u>	<u>3,012,709,581</u>	<u>(39,192,490,082)</u>

10 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress (*)	790,908,287,035	-	752,607,916,737	-
Raw materials	18,848,730,287	-	67,366,953,209	-
Tools and supplies	1,319,168,959	(111,870,000)	1,247,569,554	-
Finished goods	19,871,300,656	-	97,497,278,495	-
Merchandises	16,813,199,097	(330,635,005)	8,066,540,924	(901,451,026)
Real estate	80,543,646,479	-	80,543,646,479	-
	<u>928,304,332,513</u>	<u>(442,505,005)</u>	<u>1,007,329,905,398</u>	<u>(901,451,026)</u>

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

	2023 VND	2022 VND
Tropicana Nha Trang	145,485,766,863	145,485,766,863
Binh Duong Provincial General Hospital	128,472,597,266	113,988,818,233
T3 Tan Son Nhat Passenger Terminal	68,046,499,765	587,054,273
North-South Expressway, Can Tho		
- Hau Giang section	50,905,564,831	8,730,000
North-South Expressway, Chi Thanh		
- Van Phong section	43,525,689,592	5,000,000
Vinhomes Dream City Hung Yen	38,820,160,502	19,865,744,316
Habitat Binh Duong	38,906,467,091	13,907,304,872
Golden City Social Housing area	34,911,125,231	9,183,625,479
Vung Ang II Thermal Power Plant	33,080,328,000	5,279,309,724
North-South Expressway, Hau Giang		
- Ca Mau section	26,808,975,424	-
Rivana Apartment Project - Binh Duong	20,763,511,208	7,005,617,637
Others	161,181,601,262	437,290,945,340
	<u>790,908,287,035</u>	<u>752,607,916,737</u>

11 LONG-TERM PREPAID EXPENSES

	2023 VND	2022 VND
Rental right repurchase cost (*)	33,099,830,763	36,108,906,292
Tools and supplies	7,952,879,406	15,710,943,317
Renovation fee	891,176,072	8,622,866,678
Prepaid expense relating to La Son Tuy Loan project	-	16,853,328,828
Land rental	-	3,622,173,929
Others	6,911,690,691	8,831,722,764
	<u>48,855,576,932</u>	<u>89,749,941,808</u>

(*) As at 31 December 2023 and 31 December 2022, the balance represents prepaid expense for the repurchase of rental right of the 22nd floor of Sailing Tower from Phuc Thinh Asset Management Limited Company.

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12 TAXES AND OTHER PAYABLES TO, RECEIVABLES FROM THE STATE

Movements in tax and other payables to, receivables from the State are as follows:

(a) Receivables

	As at 1.1.2023 VND	Payables/ receivables during the year VND	Payment/net off/other decreases during the year VND	As at 31.12.2023 VND
VAT output on external current	78,203,668,167	-	39,475,848,814	117,679,516,981
CIT	7,883,332,556	-	48,614,880	7,931,947,436
Personal income tax	105,665,661	(378,382,047)	344,498,426	71,782,040
	<u>86,192,666,384</u>	<u>(378,382,047)</u>	<u>39,868,962,120</u>	<u>125,683,246,457</u>

(b) Payables

	As at 1.1.2023 VND	Increases/payables during the year VND	Payment/net off/other decreases during the year VND	As at 31.12.2023 VND
VAT output	3,110,233,225	622,060,785,919	(622,097,715,490)	3,073,303,654
CIT	46,134,418,429	81,471,464,705	(67,361,594,442)	60,244,288,692
Personal income tax	3,332,910,072	16,526,096,663	(15,202,890,854)	4,656,115,881
Natural resources tax and environmental protection	-	5,203,888,750	(3,049,950,000)	2,153,938,750
Others	-	12,809,016,484	(11,363,456,804)	1,445,559,680
	<u>52,577,561,726</u>	<u>738,071,252,521</u>	<u>(719,075,607,590)</u>	<u>71,573,206,657</u>

(c) The balance represents the VAT to be reclaimed.

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13 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structure VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others (*) VND	Total VND
Historical cost						
As at 1 January 2023	112,849,461,685	259,619,324,035	241,042,061,602	11,356,469,907	2,309,812,044,858	2,934,679,362,087
New purchases during the year	-	6,102,757,116	4,439,043,139	2,122,448,206	-	12,664,248,461
Decrease due to divestments from investments in subsidiaries	(61,625,207,407)	(153,446,712,153)	(201,751,605,277)	(695,759,910)	(43,388,712,040)	(460,907,996,787)
Disposal	-	(1,674,994,179)	(824,707,753)	(39,345,455)	-	(2,539,047,387)
As at 31 December 2023	51,224,254,278	110,600,374,819	42,904,791,711	12,743,812,748	2,266,423,332,818	2,483,896,566,374
Accumulated depreciation						
As at 1 January 2023	25,792,776,883	142,414,271,841	156,587,717,872	11,180,228,648	2,290,180,421,055	2,626,155,416,299
Charge for the year	2,762,337,557	13,736,583,425	5,864,352,917	868,654,042	154,920,024	23,386,847,965
Decrease due to divestments from investments in subsidiaries	(7,087,695,824)	(84,706,421,325)	(137,915,457,078)	(631,659,337)	(24,141,816,885)	(254,483,050,449)
Disposal	-	(1,471,094,243)	(824,707,753)	(39,345,455)	-	(2,335,147,451)
Others	-	(955,104,545)	(104,922,129)	(700,877,019)	-	(1,760,903,693)
As at 31 December 2023	21,467,418,616	69,018,235,153	23,606,983,829	10,677,000,879	2,266,193,524,194	2,390,963,162,671
Net book value						
As at 1 January 2023	87,056,684,802	117,205,052,194	84,454,343,730	176,241,259	19,631,623,803	308,523,945,788
As at 31 December 2023	29,756,835,662	41,582,139,666	19,297,807,882	2,066,811,869	229,808,624	92,933,403,703

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND40,668,806,679 (as at 31 December 2022: VND 92,261,573,292).

As at 31 December 2023, tangible fixed assets of the Group with a carrying value of VND 48,800,986,514 (as at 31 December 2022: VND8,003,310,831) were pledged with banks as collaterals for borrowings (Note 22).

(*) Other fixed assets are mainly estimated values of construction investment costs of Dong Nai Bridge project in the form of BOT contract. As at the date of these consolidated financial statements, the Group is working with competent authorities to finalise the project.

13 FIXED ASSET (continued)**(b) Intangible fixed assets**

	Land use right VND	Software VND	Total VND
Historical cost			
As at 1 January 2023	54,881,238,000	1,381,783,773	56,263,021,773
New purchases during the year	-	1,287,606,600	1,287,606,600
Decrease due to divestment in subsidiary	(6,688,000,000)	-	(6,688,000,000)
Disposals	-	(87,000,000)	(87,000,000)
As at 31 December 2023	<u>48,193,238,000</u>	<u>2,582,390,373</u>	<u>50,775,628,373</u>
Accumulated amortisation			
As at 1 January 2023	5,897,086,869	1,291,760,208	7,188,847,077
Charge for the year	319,184,004	165,254,281	484,438,285
Disposals	-	(87,000,000)	(87,000,000)
As at 31 December 2023	<u>6,216,270,873</u>	<u>1,370,014,489</u>	<u>7,586,285,362</u>
Net book value			
As at 1 January 2023	<u>48,984,151,131</u>	<u>90,023,565</u>	<u>49,074,174,696</u>
As at 31 December 2023	<u>41,976,967,127</u>	<u>1,212,375,884</u>	<u>43,189,343,011</u>

The historical cost of fully depreciated intangible fixed assets but still in use as at 31 December 2023 was VND 1,294,783,773 (as at 31 December 2022: nil).

As at 31 December 2023, intangible fixed assets of the Group with a carrying value of VND 40,167,409,127 (as at 31 December 2022: VND40,486,593,131) were pledged with banks as collaterals for borrowings (Note 22).

14 FINANCE LEASE FIXED ASSETS

	Machinery and equipment VND	Motor vehicles VND	Others VND	Total VND
Historical cost				
As at 1 January 2023	12,592,050,594	13,900,762,486	13,750,735,554	40,243,548,634
New leases	-	24,744,952,728	-	24,744,952,728
Decrease due to divestment in subsidiary	(12,592,050,594)	(11,737,126,122)	(13,750,735,554)	(38,079,912,270)
Disposals	-	(2,163,636,364)	-	(2,163,636,364)
As at 31 December 2023	-	24,744,952,728	-	24,744,952,728
Accumulated depreciation				
As at 1 January 2023	3,204,307,706	5,671,355,090	1,561,741,205	10,437,404,001
Charge for the year	165,538,955	1,575,265,329	-	1,740,804,284
Decrease due to divestment in subsidiary	(3,369,846,661)	(4,514,082,365)	(1,561,741,205)	(9,445,670,231)
Disposals	-	(1,412,373,736)	-	(1,412,373,736)
As at 31 December 2023	-	1,320,164,318	-	1,320,164,318
Net book value				
As at 1 January 2023	9,387,742,888	8,229,407,396	12,188,994,349	29,806,144,633
As at 31 December 2023	-	23,424,788,410	-	23,424,788,410

As at 31 December 2023 and 31 December 2022, the balance represents finance lease fixed assets from finance lease contracts with Finance Leasing Company Limited – Vietnam Joint Stock Commercial Bank for Industry, Trade and BIDV – Sumi TRUST Leasing Company Limited and Chailease International Finance Leasing Company Limited (Note 22). At the end of the lease term, the lessor undertakes to resell the asset to the Group at the nominal redemption value specified in the financial lease contract.

15 INVESTMENT PROPERTIES FOR LEASE

	Land use right VND	Buildings and structure VND	Total VND
Historical cost			
As at 1 January 2023 and 31 December 2023	275,070,592,472	470,881,343,764	745,951,936,236
Accumulated depreciation			
As at 1 January 2023 and 31 December 2023	45,336,170,181	186,484,470,807	231,820,640,988
Charge for the year	5,512,712,818	19,605,161,279	25,117,874,097
As at 31 December 2023	50,848,882,999	206,089,632,086	256,938,515,085
Net book value			
As at 1 January 2023 and 31 December 2023	229,734,422,291	284,396,872,957	514,131,295,248
As at 31 December 2023	224,221,709,473	264,791,711,678	489,013,421,151

In 2023, revenue earned from investment properties held for lease was VND162,994,466,699 (in 2022: VND 159,473,361,152).

As at 31 December 2023, the Group's investment properties held for lease with a carrying value of VND359,570,966,157 (as at 31 December 2022: VND378,257,523,381) were pledged with banks as collaterals for borrowings of the Group and third parties.

As at 31 December 2023, the Group's investment properties held for lease are currently being leased, so the Board of Management has not officially determined the fair value of these properties. Based on the ratio and rental value of investment properties, the Board of Management assesses that the fair value of these properties is greater than the carrying amount at the end of the accounting period.

16 CONSTRUCTION IN PROGRESS

Details of construction in progress are as follows:

	2023 VND	2022 VND
Hai Phong Coastal Road Project (*)	2,014,154,022,555	1,506,615,157,284
Hanh Phuc Project	549,931,939,857	523,504,843,506
Sailing Tower Project	15,246,572,627	14,946,673,077
Ham Kiem - Binh Thuan		
Wind Power Plant Project	4,645,600,000	53,709,161,632
Others	1,800,033,666	19,477,425,163
	<u>2,585,778,168,705</u>	<u>2,118,253,260,662</u>

(*) The balance mainly includes construction costs, project management, consulting, compensation and site clearance costs, loan interest expense and other expenses related to the coastal road project across the country Hai Phong City and 9km in Thai Binh Province, according to BOT contract No. 68/HD/BOT signed on 28 June 2018. Once its construction is completed, the project will begin to collect tolls according to the time limit specified in this BOT contract.

17 TRADE ACCOUNTS PAYABLE**(a) Short-term**

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	<u>1,231,751,243,153</u>	<u>1,231,751,243,153</u>	<u>1,451,963,111,786</u>	<u>1,451,963,111,786</u>

(b) Long-term

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	394,017,761,579	394,017,761,579	268,674,475,501	268,674,475,501
Related parties (Note 37(b))	<u>25,287,401,186</u>	<u>25,287,401,186</u>	<u>19,197,274,378</u>	<u>19,197,274,378</u>
	<u>419,305,162,765</u>	<u>419,305,162,765</u>	<u>287,871,749,879</u>	<u>287,871,749,879</u>

As at 31 December 2023 and 31 December 2022, there were no suppliers whose balance accounting for 10% or more of the total balance of short-term and long-term trade accounts payable – third parties.

18 ADVANCES FROM CUSTOMERS**(a) Short-term**

	2023 VND	2022 VND
Third parties (*)	2,734,294,160,760	1,657,746,600,822
Related parties (Note 37(b))	40,346,190,773	-
	<u>2,774,640,351,533</u>	<u>1,657,746,600,822</u>

(*) As at 31 December 2023 and 31 December 2022, details of customers whose balance accounting are material of the total balance of advances from customers – third parties are as follows:

	2023 VND	2022 VND
Project Management Board 85	615,920,363,824	-
Tan Son Nhat International Airport - Branch of Airports Corporation of Vietnam - JSC	228,007,792,125	34,009,162,981
Airports Corporation of Vietnam - JSC	203,979,255,974	-
Consortium MC - HDEC - CC1	65,329,484,806	309,850,481,562
Daknong Construction Investment Project Management Board	143,681,499,000	204,238,469,000
Tropicana Nha Trang Company Limited	<u>140,577,581,792</u>	<u>140,577,581,792</u>

(b) Long-term

As at 31 December 2023 and 31 December 2022, long-term advances from customers mainly include the amount which customers paid in advance to buy apartments at Hanh Phuc Project and Felix Home Project.

19 ACCRUED EXPENSES**(a) Short-term**

	2023 VND	2022 VND
Construction cost	812,917,559,680	336,753,577,776
Interest expense	11,252,623,642	73,037,626,181
Others	11,180,004,532	15,525,393,132
	<u>835,350,187,854</u>	<u>425,316,597,089</u>

(b) Long-term

This is an accrual expense related to an estimation of a financial obligation of the Hanh Phuc Project.

20 UNEARNED REVENUE

As at 31 December 2023 and 31 December 2022, the balances of short-term and long-term unearned revenue related to rents received in advance from tenants of Hanh Phuc Project, Felix Home Project and the Sailing Tower.

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

	2023 VND	2022 VND
Deposits	5,000,000,000	-
Compulsory insurance and trade union	4,084,157,443	11,445,613,202
Dividend payables	3,001,644,262	3,016,555,462
Payables for share transfer	-	114,750,000,000
Other payables to individuals	-	70,275,923,866
Others	4,020,052,761	12,692,665,243
	<u>16,105,854,466</u>	<u>212,180,757,773</u>

(b) Long-term

	2023 VND	2022 VND
Investment Trust Agreement (*)	600,000,000,000	
Deposits	32,087,719,266	32,696,281,165
Other payables to individuals	-	77,774,375,820
Others	30,356,489,938	35,123,985,795
	<u>662,444,209,204</u>	<u>145,594,642,780</u>

(*) This is the payable related to the Investment Trust Agreement dated 20 December 2023 signed with Nam Hung Hung Thinh Trading Service Company Limited ("Nam Hung Hung Thinh"). The period of investment trust is 5 years. The Company uses this trust amount to find and implement investment projects.

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22 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term

		As at 1.1.2023 VND	Drawdowns VND	Repayments VND	Current portion of long-term borrowings and finance lease liabilities VND	Revaluation VND	Decrease due to divestments from investments in subsidiaries VND	As at 31.12.2023 VND
Joint Stock Commercial Bank for Investment and Development of Vietnam	(1)	834,046,314,669	1,357,501,945,890	(1,141,870,859,938)	-	-	(206,484,760,930)	843,192,639,691
Nam A Commercial Joint Stock Bank	(1)	-	594,090,539,928	(371,203,382)	-	-	-	593,719,336,546
Saigon-Hanoi Commercial Joint Stock Bank	(1)	420,474,870,986	848,664,734,815	(1,021,088,534,818)	-	-	-	248,051,070,983
Vietnam Joint Stock Commercial Bank for Industry and Trade	(1)	463,320,333,550	463,562,662,944	(590,918,756,274)	-	-	(96,865,191,742)	239,099,048,478
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Saigon West Branch	(1)	-	376,934,996,764	(241,688,266,813)	-	-	-	135,246,729,951
Vietnam Export Import Commercial Joint Stock Bank	(1)	79,999,942,457	181,454,962,748	(165,464,877,400)	-	-	-	95,990,027,805
Tien Phong Commercial Joint Stock Bank - North Central Branch	(1)	-	75,568,162,909	-	-	-	-	75,568,162,909
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ben Thanh Branch	(1)	119,938,900,423	68,600,256,000	(138,539,156,423)	-	-	(50,000,000,000)	-
Military Commercial Joint Stock Bank	(1)	81,033,930,727	-	(7,991,911,154)	-	-	(73,042,019,573)	-
Vietnam Technological and Commercial Joint Stock Bank	(1)	23,150,000,000	-	-	-	-	(23,150,000,000)	-
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	(1)	44,991,663,782	-	(44,991,663,782)	-	-	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - UPAS LC	(1)	25,561,666,528	-	(25,561,666,528)	-	-	-	-
Other individuals	(2)	14,445,000,000	322,670,234	(1,000,000,000)	-	-	(5,970,000,000)	7,797,670,234
Hinokiya - Twgroup Company Limited	(3)	56,005,939,726	-	(17,001,484,931)	-	-	-	39,004,454,795
Current portion of long-term borrowings and finance lease liabilities								
Vietnam Development Bank	(4)	31,940,408,907	-	(32,370,161,878)	35,753,219,809	914,753,334	-	36,238,220,172
Tien Phong Commercial Joint Stock Bank - North Central Branch	(5)	-	-	-	26,332,546,084	-	-	26,332,546,084
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	(6)	-	-	-	5,876,220,006	-	-	5,876,220,006
BIDV - Sumi TRUST Leasing Co., Ltd	(7)	-	-	-	1,341,091,291	-	-	1,341,091,291
Viet Capital Commercial Joint Stock Bank	(8)	-	-	-	339,283,000	-	-	339,283,000
Joint Stock Commercial Bank for Investment and Development of Vietnam		7,871,448,655	-	(7,871,448,655)	-	-	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade		1,980,000,000	-	(330,000,000)	-	-	(1,650,000,000)	-
Chailease International Leasing Company Limited		1,817,179,698	-	(664,314,601)	-	-	(1,152,865,097)	-
		<u>2,206,577,600,108</u>	<u>3,966,700,932,232</u>	<u>(3,437,724,306,577)</u>	<u>69,642,360,190</u>	<u>914,753,334</u>	<u>(458,314,837,342)</u>	<u>2,347,796,501,945</u>

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22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term

		As at 1.1.2023 VND	Drawdowns VND	Repayments/bond issuance fee allocation during the year VND	Current portion of long- term borrowings and finance lease liabilities VND	Revaluation VND	Decrease due to divestments from investments in subsidiaries VND	As at 31.12.2023 VND
Vietnam Development Bank	(4)	1,293,461,376,785	-	-	(35,753,219,809)	37,125,128,409	-	1,294,833,285,385
Tien Phong Commercial Joint Stock Bank - North Central Branch	(5)	558,446,222,784	99,867,429,267	-	(26,332,546,084)	-	-	631,981,105,967
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	(6)	-	21,199,372,728	(4,207,008,808)	(5,876,220,006)	-	-	11,116,143,914
BIDV - Sumi TRUST Leasing Co., Ltd	(7)	-	3,545,580,000	(358,883,873)	(1,341,091,291)	-	-	1,845,604,836
Viet Capital Commercial Joint Stock Bank	(8)	-	1,500,000,000	(142,856,000)	(339,283,000)	-	-	1,017,861,000
Bonds issued at Nam A Commercial Joint Stock Bank	(9)	2,650,000,000,000	-	(2,650,000,000,000)	-	-	-	-
Bond issuance fee		(10,500,639,268)	(21,350,000,000)	31,850,639,268	-	-	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam		29,305,600,000	-	-	-	-	(29,305,600,000)	-
Vietnam Prosperity Joint-Stock Commercial Bank		13,530,000,000	-	-	-	-	(13,530,000,000)	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ben Thanh Branch		7,449,132,000	-	-	-	-	(7,449,132,000)	-
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade		7,038,900,000	-	-	-	-	(7,038,900,000)	-
Chailease International Leasing Company Limited		5,800,424,981	-	-	-	-	(5,800,424,981)	-
Vietnam Joint Stock Commercial Bank for Industry and Trade		4,942,933,119	-	-	-	-	(4,942,933,119)	-
Vietnam Joint Stock Commercial Bank for Industry and Trade		1,980,000,000	-	-	-	-	(1,980,000,000)	-
		<u>4,561,453,950,401</u>	<u>104,762,381,995</u>	<u>(2,622,858,109,413)</u>	<u>(69,642,360,190)</u>	<u>37,125,128,409</u>	<u>(70,046,990,100)</u>	<u>1,940,794,001,102</u>

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

- (1) These are short-term loans at commercial banks, with terms from 5 months to 12 months, bearing interest at the rates from 6.3%/year to 13.4%/year. The loans are used to supplement for working capital. The loans are secured by term deposits (Note 3, Note 4(a)), land use rights and assets attached to land, motor vehicles (Note 13), future claims arising from the Group's projects, Shares of the Group in a member unit, Shares of previous member units owned by third parties and shares of the Company owned by individuals.
- (2) These are unsecured loans from related individuals bearing interest at the rate of 0%/year to supplement working capital.
- (3) This is a short-term loan from Hinokiya Twgroup Company Limited for a term of 11 months, bearing interest at the rate of 7%/year and has no collateral. The loan is to finance the Hanh Phuc Residential Project. As at the date of these consolidated financial statements, the investment cooperation agreement has been liquidated. The Group is repaying this loan to Hinokiya Twgroup Company Limited.
- (4) This is a loan authorized by the Ministry of Finance to Vietnam Development Bank to lend to the Company under the Loan Agreements No. 3240 – VIE and 3242 – VIE (SF) for the purpose of financing projects and construction works of the Company and other units. The loan has a loan term of 25 years and bears interest at the rate of 6 months LIBOR in USD plus an interest margin of 0.6%/year, minus a deduction of 0.1%/year and an insurance premium of 0.2%/year. From the debt repayment period of 1 December 2022, the Vietnam Development Bank applied the SOFR interest rate to replace the LIBOR interest rate based on Official Dispatch No. 326/NHPT-VNN dated 18 March 2022, according to the Bank's Notice Vietnam Development Bank and Ministry of Finance. The loan is secured by term deposit contracts of the Company, machinery and equipment of No. 1 Viet Hung Construction Joint Stock Company, land use rights and assets attached to land of Chuong Duong Joint Stock Company, and the right to collect the payback fee of the Dong Nai bridge BOT project.
- (5) This is a long-term loan with Tien Phong Commercial Joint Stock Bank. This is a loan having a total credit amount of VND1,000 billion, bearing interest at the rate of 10%/year adjusted within a margin of 3%/year, and with the term of 180 months from the date of first disbursement. The borrowing is to pay for construction and equipment costs (excluding interest expense) for the implementation of Coastal Road Project in Hai Phong City (Note 16).

The collateral assets for this borrowing includes:

- The assets and business rights of the Project arising from the BOT contract No. 68/HD.BOT signed on 28 June 2018 and the attached appendixes between the Hai Phong City People's Committee with investors and Project enterprises.
- The entire contributed capital and capital-contribution-related rights of members to Hai Phong Coastal Road Investment Company Limited project enterprise.
- Unconditional, irrevocable payment guarantee of Construction Corporation No 1 Joint Stock Company for all credit obligations of Hai Phong Coastal Road Investment Company Limited at Tien Phong Commercial Joint Stock Bank.

22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

- (6) This is a finance lease liability with a term of 60 months, bearing interest at the rate of 10.5%/year for the first 3 months. The interest rate of this finance lease liability is adjusted periodically every 3 months from the 4th month onwards with an interest rate equal to the ceiling deposit rate of VND 12-month term for individual customers of Vietnam Joint Stock Commercial Bank for Industry and Trade at the time of adjustment plus an interest margin of 3%/year.
- (7) This is a finance lease liability with a term of 60 months, bearing interest at the rate of 9.5%/year for the first 3 months. The interest rate of this finance lease liability is adjusted periodically every 3 months from the 4th month onwards with an interest rate equal to the term deposit interest rate of VND 12-month term for individual customers of Joint Stock Commercial Bank for Investment and Development of Vietnam at the time of adjustment plus an interest margin of 3%/year.
- (8) This is a loan with a term of 84 months, bearing interest at the rate of 10.3%/year for the first 5 months. The interest rate is adjusted periodically every 3 months from the 6th month onwards with the interest rate equal to the base interest rate of Viet Capital Commercial Joint Stock Bank at the time of adjustment plus an interest rate range of 4%/year. This loan is used to finance the purchase of fixed assets – motor vehicles during the period, the underlying assets is used to secure the loan (Note 13).
- (9) This is non-convertible bond with a total issuance of VND2,650 billion, equivalent to 26,500 bonds, for the purpose of financing investment projects, business cooperation and investment with partners to develop real estate projects, construction works. The bond bears interest at the rate of 10%/year and interests are paid every six (6) months and due in 2024. According to Resolution of the Board of Directors No. 137/NQ-HĐQT dated on 30 August 2023, the Board of Directors decided to buy back all outstanding bonds of the Company. In 2023, the Company completed payment to redeem all bonds.

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23 OWNERS' CAPITAL
(a) Number of shares

	2023 Ordinary shares	2022 Ordinary shares
Number of shares registered	358,507,825	328,934,469
Number of shares issued	358,507,825	328,934,469
Number of shares repurchased	(337,800)	(337,800)
Number of existing shares in circulation	358,170,025	328,596,669

(b) Details of owners' shareholdings

	2023		2022	
	VND	%	VND	%
Mr. Nguyen Van Huan	395,201,510,000	11.02	362,570,200,000	11.02
Other shareholders	3,189,876,740,000	88.98	2,926,774,490,000	88.98
Total	3,585,078,250,000	100.00	3,289,344,690,000	100.00

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2022	114,386,474	1,143,864,740,000
New shares issued	205,287,613	2,052,876,130,000
New shares issued with dividends	9,260,382	92,603,820,000
As at 31 December 2022	328,934,469	3,289,344,690,000
New shares issued	29,573,356	295,733,560,000
As at 31 December 2023	358,507,825	3,585,078,250,000

Par value per share: VND10,000.

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Differences upon asset revaluation VND	Foreign exchange differences VND	Investment and development fund VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 31 December 2021	1,143,864,740,000	110,596,208,588	(4,796,760,000)	3,031,608,970	-	17,714,123,514	298,954,061,583	283,028,891,953	1,852,392,874,608
Net profit for the year	-	-	-	-	-	-	216,827,393,314	5,830,140,876	222,657,534,190
Capital increased during the year	2,052,876,130,000	-	-	-	-	-	-	181,000,000,000	2,233,876,130,000
Dividend distributed via shares issuance	92,603,820,000	-	-	-	-	-	(92,603,820,000)	-	-
Adjustment due to increase ownership rate in subsidiary	-	-	-	-	-	5,315,741,416	(73,002,109,993)	(58,313,631,423)	(126,000,000,000)
Appropriation to investment and development funds	-	-	-	-	-	341,747,654	(341,747,654)	-	-
Appropriation to welfare fund	-	-	-	-	-	-	(1,848,659,756)	(550,968,159)	(2,399,627,915)
Share issuance cost	-	(11,268,356,780)	-	-	-	-	-	-	(11,268,356,780)
Dividend distributed at subsidiary	-	-	-	-	-	-	-	(6,615,000,000)	(6,615,000,000)
Compensation for Board of Directors and Board of Supervision	-	-	-	-	-	-	(1,488,360,000)	(17,640,000)	(1,506,000,000)
Others	-	-	-	691,735,896	-	-	267,195,427	(149,123,708)	809,807,615
As at 31 December 2022	3,289,344,690,000	99,327,851,808	(4,796,760,000)	3,723,344,866	-	23,371,612,584	346,763,952,921	404,212,669,539	4,161,947,361,718
Net profit for the year	-	-	-	-	-	-	219,512,659,668	901,639,167	220,414,298,835
Capital increased during the year	-	-	-	-	-	-	-	3,000,000,000	3,000,000,000
Dividend distributed via shares issuance	295,733,560,000	-	-	-	-	-	(295,733,560,000)	-	-
Dividend distributed at subsidiary	-	-	-	-	-	-	-	(440,734,151)	(440,734,151)
Appropriation to welfare fund	-	-	-	-	-	-	(443,938,334)	(24,796,049)	(468,734,383)
Compensation for Board of Directors and Board of Supervision	-	-	-	-	-	-	(1,433,150,667)	(19,836,839)	(1,452,987,506)
Foreign exchange difference from conversion of financial statements	-	-	-	-	15,503,864	-	-	-	15,503,864
Increase/(decrease) due to divestments	-	-	-	3,817,817,694	-	(2,943,748,965)	-	(138,611,081,317)	(137,737,012,588)
Others	-	-	-	-	-	-	1,781,619,543	391,229,059	2,172,848,602
As at 31 December 2023	3,585,078,250,000	99,327,851,808	(4,796,760,000)	7,541,162,560	15,503,864	20,427,863,619	270,447,583,131	269,409,089,409	4,247,450,544,391

According to the Resolution of the Annual General Meeting No. 85/NQ-DHDCD dated 12 May 2023, the Annual General Meeting approved the plan of appropriation of profit as below:

- Stock dividend declared with a distribution rate of 9%. The total of share expected to be issued is 29,573,700 shares, equivalent to VND295,737,000,000. As at 31 December 2023, the Company completed the dividend payment in total actual issued shares was 29,573,356 shares, equivalent to VND295,733,560,000; and
- Appropriation to compensation of the Board of Directors in 2022 with the amount of VND1,078,000,000.

According to the Resolution of the Annual General Meeting above, the Annual General Meeting approved the plan to sell 337,800 treasury shares with book value of VND4,796,760,000 for financing production and business activities. As at the date of consolidated financial statements, the Company is in the process of implementing the plan.

25 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund and preferred share dividend by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus shares issued during the period and excluding treasury shares. Details are as follows:

	2023	2022 (*)
Net profit attributable to shareholders (VND)	219,512,659,668	216,827,393,314
Less amount allocated to bonus and welfare funds (VND)	(443,938,334)	(1,848,659,756)
	<u>219,068,721,334</u>	<u>214,978,733,558</u>
Weighted average number of ordinary shares in issue (shares)	336,550,621	315,577,387
Basic earnings per share (VND)	<u>651</u>	<u>681</u>

(*) Basic earnings per share for the year ended 31 December 2022 have been recalculated to reflect the payment of stock dividends to existing shareholders on 29 September 2023. Details are as follows:

	For the year ended 31.12.2022		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	214,978,733,558	-	214,978,733,558
Weighted average number of ordinary shares in issue (shares)	286,004,031	29,573,356	315,577,387
Basic earnings per share (VND)	<u>752</u>		<u>681</u>

(b) Diluted earnings per share

The Company has no potentially dilutive ordinary shares for the period and up to the date of these consolidated financial statements. Therefore, diluted earnings per share equals basic earnings per share.

26 OFF CONSOLIDATED BALANCE SHEET ITEMS**(a) Foreign currencies**

As at 31 December 2023, included in cash and cash equivalents were balances held in foreign currencies of USD57,196.16 and 48,848,686 Japanese Yen (as at 31 December 2022: USD77,514.94 and had no Japanese Yen).

26 OFF CONSOLIDATED BALANCE SHEET ITEMS (continued)**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 38.

27 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue from sales of goods and rendering of services		
Revenue from constructions activities	3,927,864,999,641	3,759,226,941,600
Revenue from sales of goods and materials	1,508,277,918,880	2,262,394,819,312
Revenue from rendering of services	175,898,904,127	286,685,665,713
Revenue from sales of real estates	1,226,500,000	128,387,501,703
	<u>5,613,268,322,648</u>	<u>6,436,694,928,328</u>
Sales deductions		
Trade discounts	(2,002,171,100)	(982,828,450)
Net revenue from sales of goods and rendering of services		
Net revenue from constructions activities	3,927,864,999,641	3,759,226,941,600
Net revenue from sale of goods and materials	1,506,275,747,780	2,261,411,990,862
Net revenue from rendering of services	175,898,904,127	286,685,665,713
Net revenue from sales of real estates	1,226,500,000	128,387,501,703
	<u>5,611,266,151,548</u>	<u>6,435,712,099,878</u>
Accumulated revenue of constructions contracts of ongoing projects recorded up to the date of the consolidated consolidated financial statements	<u>9,567,164,422,225</u>	<u>12,796,353,540,567</u>

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2023 VND	2022 VND
Cost of construction activities	3,743,473,212,395	3,517,550,410,830
Cost of goods and materials sold	1,460,042,120,970	2,183,779,118,746
Cost of services rendered	77,953,582,772	111,733,827,887
Cost of real estates sold	1,226,500,000	125,815,207,901
	<u>5,282,695,416,137</u>	<u>5,938,878,565,364</u>

29 FINANCIAL INCOME

	2023 VND	2022 VND
Income from transferring investments	673,451,277,544	63,088,692,470
Interest income from lendings and deposits	98,724,756,432	110,009,249,193
Interest for late payment	17,432,546,066	2,879,505,424
Realised foreign exchange gains	573,876	120,019,780
Dividends received	-	147,831,772,900
Others	-	358,509,644
	<u>789,609,153,918</u>	<u>324,287,749,411</u>

30 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expense	431,933,840,855	371,880,989,687
Bond issuance fee allocation	6,403,105,020	4,598,819,978
Reversal of provision for long-term investments	(1,800,000,000)	-
Net loss from foreign currency translation at year-end	36,118,611,504	43,610,557,871
Others	1,342,168,349	2,979,323,008
	<u>473,997,725,728</u>	<u>423,069,690,544</u>

31 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	136,157,309,380	180,426,590,749
Provision/(reversal of provision)	155,636,402,949	(104,846,050,970)
Outside service expenses	37,344,205,170	65,687,885,118
Tool and equipment	3,518,138,402	3,693,765,924
Depreciation and amortisation	2,018,696,616	6,368,312,361
Office repair and maintance	716,126,418	737,823,259
Others	12,561,913,101	37,781,291,966
	<u>347,952,792,036</u>	<u>189,849,618,407</u>

32 NET OTHER (EXPENSES)/INCOME

	2023 VND	2022 VND
Other income		
Penalty income	-	83,946,076,244
Gains on disposal of fixed assets	97,316,428	20,634,446,526
Others	2,932,839,784	6,525,269,793
	<u>3,030,156,212</u>	<u>111,105,792,563</u>
Other expenses		
Projects cancellation	(8,556,865,307)	-
Fines	(1,803,836,390)	(2,773,842,120)
Others	(1,915,819,831)	(4,550,424,056)
	<u>(12,276,521,528)</u>	<u>(7,324,266,176)</u>
Net other (expenses)/income	<u>(9,246,365,316)</u>	<u>103,781,526,387</u>

33 CORPORATE INCOME TAX ("CIT")

The CIT on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND	2022 VND
Accounting profit before tax	301,885,763,540	285,841,982,007
Tax calculated at a rate of 20%	64,219,197,196	62,480,460,709
Tax calculated at a rate of 10%	(17,367,582)	(298,939,110)
Effect of:		
Income not subject to tax	-	(13,432,915,360)
Expenses not deductible for tax purposes	17,417,969,440	17,725,871,379
Tax losses for which no deferred income tax asset was recognised	7,027,644	937,517,251
Utilised tax losses	(374,517,466)	-
Temporarily difference which no deferred income tax asset was recognised	(99,346,923)	(4,227,547,052)
Others	318,502,396	-
CIT charge (*)	<u>81,471,464,705</u>	<u>63,184,447,817</u>
Charged to consolidated income statement:		
CIT – current	81,471,464,705	68,320,958,952
CIT – deferred	-	(5,136,511,135)
	<u>81,471,464,705</u>	<u>63,184,447,817</u>

33 CORPORATE INCOME TAX ("CIT") (continued)

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

34 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Group's operating activities, excluding cost of merchandise for trading activities. The details are as follows:

	2023 VND	2022 VND
Outside service expenses	2,525,404,914,244	1,785,871,424,725
Raw materials	870,990,825,076	1,629,235,124,726
Staff costs	346,650,941,795	557,647,188,176
Provision/(reversal of provision)	155,177,456,928	(104,857,217,708)
Depreciation and amortisation	48,765,723,716	73,612,562,900
Others	57,992,278,753	113,597,178,369
	<u>4,004,982,140,512</u>	<u>4,055,106,261,188</u>

35 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

Other transactions and non-cash transactions affecting the consolidated cash flow statement

	2023 VND	2022 VND
Interest expense capitalisation into the construction in progress	166,235,098,958	140,111,021,696
Purchase assets via financial leasing transactions	24,744,952,728	-
Purchase of fixed assets and other long-term assets that have not yet been settled	1,159,714,187	42,364,846,171
Purchase of fixed assets and other long-term assets that have been advanced in previous years	<u>-</u>	<u>14,000,000,000</u>

36 SEGMENT REPORTING

The Board of Management of the Company determines that the decisions of the Group are based primarily on the types of products and services provided by the Group. As a result, the primary segment reporting of the Group is presented in respect of the Group's business segments.

Segment reporting are prepared for corporate governance purposes. The Group has not been able to track the assets and liabilities of the segments because a substantial portion of the Group's assets and capital expenditures are shared across segments. The Group tracks revenue, expenses, and business results of each segment are as follows:

	Year ended 31 December 2023				
	Construction activities VND	Sales of goods and materials VND	Rendering of services VND	Real estate VND	Total VND
Net revenue	3,927,864,999,641	1,506,275,747,780	175,898,904,127	1,226,500,000	5,611,266,151,548
Cost	(3,743,473,212,395)	(1,460,042,120,970)	(77,953,582,772)	(1,226,500,000)	(5,282,695,416,137)
Gross profit	<u>184,391,787,246</u>	<u>46,233,626,810</u>	<u>97,945,321,355</u>	<u>-</u>	<u>328,570,735,411</u>
	Year ended 31 December 2022				
	Construction activities VND	Sales of goods and materials VND	Rendering of services VND	Real estate VND	Total VND
Net revenue	3,759,226,941,600	2,261,411,990,862	286,685,665,713	128,387,501,703	6,435,712,099,878
Cost	(3,517,550,410,830)	(2,183,779,118,746)	(111,733,827,887)	(125,815,207,901)	(5,938,878,565,364)
Gross profit	<u>241,676,530,770</u>	<u>77,632,872,116</u>	<u>174,951,837,826</u>	<u>2,572,293,802</u>	<u>496,833,534,514</u>

Segment reporting based on geographical area:

The Group mainly operates in one geographical area which is in Vietnam. As a result, the Group does not disclose segment reports based on geographical area.

37 RELATED PARTY DISCLOSURES

During the year, the Group has balances and transactions with the following related parties:

No.	Related party	Relationship
1	Cam Lo - Tuy Loan BT Investment Company Limited	Other related party
2	No.1 Viet Hung Construction Joint Stock Company	Associate
3	Chuong Duong Joint Stock Company	Associate
4	Mien Trung Construction and Manufacture Building Materials Joint Stock Company	Associate
5	No.1 Viet Tong Construction Joint Stock Company	Associate
6	Nhan Phuc Duc Investment Joint Stock Company	Other related party
7	3H Building Materials Joint Stock Company	Associate
8	Materials and Agricultural Product Number 1 Joint Stock Company	Associate
9	Cuu Long Construction and Trading House Joint Stock Company	Fomer associate

(a) Related party transactions

During the year, the primary transactions with related parties incurred are:

	2023 VND	2022 VND
(i) Sales of goods and rendering of services		
No.1 Viet Hung Construction Joint Stock Company	11,066,736,601	841,428,139
Cam Lo - Tuy Loan BT Investment Company Limited	1,185,280,123	50,096,455,469
	<u>12,252,016,724</u>	<u>50,937,883,608</u>
(ii) Subcontract and other purchases of materials and goods		
No.1 Viet Hung Construction Joint Stock Company	158,812,840,599	229,391,252,523
Materials and Agricultural Product Number 1 Joint Stock Company	50,389,083,950	-
3H Building Materials Joint Stock Company	19,551,218,500	-
Cuu Long Construction and Trading House Joint Stock Company	-	28,396,686,731
Chuong Duong Joint Stock Company	-	8,438,385,982
	<u>228,753,143,049</u>	<u>266,226,325,236</u>
(iii) Interest and management fee from lendings		
No.1 Viet Hung Construction Joint Stock Company	6,307,991,328	838,808,391
Chuong Duong Joint Stock Company	3,110,442,851	1,502,379,617
	<u>9,418,434,179</u>	<u>2,341,188,008</u>

37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
(iv) Dividend		
Dak Rti Hydropower Joint Stock Company	-	60,104,490,000
Cuu Long Construction and Trading House Joint Stock Company	-	175,086,800
	<hr/>	<hr/>
	-	60,279,576,800
	<hr/>	<hr/>
(v) Interest from subcontractor		
No.1 Viet Hung Construction Joint Stock Company	1,045,051,000	9,547,621,000
	<hr/>	<hr/>

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

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37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		2023 VND	2022 VND
<i>(vi) Compensation of key management</i>			
	Relationship		
Mr. Nguyen Van Huan	Chairman of the Board of Directors	-	2,091,109,000
Mr. Phan Van Chinh	Vice Chairman of the Board of Directors cum Member of the Audit Committee	1,110,912,506	1,066,213,636
Mr. Le Bao Anh	Vice Chairman of the Board of Directors cum General Director	2,400,483,329	1,414,430,304
Mr. Nguyen Thien Tam	Vice Chairman of the Board of Directors	825,956,070	-
Mr. Le Huu Viet Duc	Former Vice Chairman of the Board of Directors	-	2,362,897,265
Mr. Nguyen Duc Dung	Former Member of the Board of Directors	-	454,917,000
Mr. Nguyen Van Binh	Former Member of the Board of Directors	-	1,102,915,455
Mr. Phan Van Vu	Former Chief Supervisor	-	451,494,615
Mrs. Nguyen Thi Hong Phuong	Former Member of the Board of Supervisors	-	288,206,000
Mr. Bui Tan Thao	Former Member of the Board of Supervisors	-	273,648,462
Mr. Nguyen Viet Hung	Deputy General Director	2,497,373,214	2,165,378,958
Mr. Nguyen Van Ngoc	Deputy General Director	2,139,296,445	1,428,539,104
Mr. Dinh Van Hung	Deputy General Director	1,646,144,445	920,920,164
Mr. La Thai Hiep	Deputy General Director	1,341,110,360	-
Mr. Pham Canh Dong	Deputy General Director	1,218,251,797	-
Mr. Tran Minh Doanh	Deputy General Director	120,150,000	-
Mr. Ha Van Han	Former Deputy General Director	2,039,423,180	160,700,000
Mr. Hoang Trung Thanh	Former Deputy General Director	2,031,676,270	1,757,975,456
Mr. Tran Huu Phong	Former Deputy General Director	874,836,364	752,876,457
Mr. Vu Gia Binh	Former Deputy General Director	186,704,545	1,874,310,841
Mr. Pham Van Ky Trung	Former Deputy General Director	-	1,738,604,547
Mr. Kim WonJin	Former Deputy General Director	-	960,361,538
Ms. Tran Thi Ngoc Thuy	Chief Accountant	652,346,599	-
Mr. Nguyen Dinh Hieu	Former Chief Accountant/person in charge of accounting	258,153,333	157,603,941
Mrs. Nguyen Thi Ngoc Dung	Former Chief Accountant	-	556,850,000
		<u>19,342,818,457</u>	<u>21,979,952,743</u>

37 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2023 VND	2022 VND
Short-term trade accounts receivable (Note 5)		
Cam Lo - Tuy Loan BT Investment Company Limited	27,634,422,327	27,530,915,327
Mien Trung Construction and Manufacture Building Materials Joint Stock Company	4,004,737,951	4,004,737,951
No.1 Viet Hung Construction Joint Stock Company	-	832,070,110
	<u>31,639,160,278</u>	<u>32,367,723,388</u>
Short-term prepayments to suppliers (Note 6)		
No.1 Viet Hung Construction Joint Stock Company	574,147,788,403	853,578,980,724
Mien Trung Construction and Manufacture Building Materials Joint Stock Company	66,680,543,502	66,680,543,502
No.1 Viet Tong Construction Joint Stock Company	39,143,753,135	39,143,753,135
Chuong Duong Joint Stock Company	2,969,558,064	283,654,800
Nhan Phuc Duc Investment Joint Stock Company	261,902,521	185,943,521
	<u>683,203,545,625</u>	<u>959,872,875,682</u>
Short-term lendings (Note 7(a))(*)		
No.1 Viet Hung Construction Joint Stock Company	20,188,891,670	58,055,496,383
Chuong Duong Joint Stock Company	6,613,894,973	6,427,015,877
	<u>26,802,786,643</u>	<u>64,482,512,260</u>
Long-term lendings (Note 7(b))(*)		
Chuong Duong Joint Stock Company	33,069,474,867	38,562,095,025
No.1 Viet Hung Construction Joint Stock Company	14,139,967,545	16,488,522,114
	<u>47,209,442,412</u>	<u>55,050,617,139</u>
(*) The balance related to the Group's unsecured loans to No. 1 Viet Hung Construction Joint Stock Company and Chuong Duong Joint Stock Company that earn interest at the rates of 6 months LIBOR in USD plus the interest margin of 0.6%/year minus the deduction 0.1%/year.		
Other short-term receivables (Note 8(a))		
No.1 Viet Hung Construction Joint Stock Company	14,323,472,822	-
No.1 Viet Tong Construction Joint Stock Company	466,667,000	466,667,000
	<u>14,790,139,822</u>	<u>466,667,000</u>

37 RELATED PARTY DISCLOSURES (continued)**(b) Year end balances with related parties**

	2023 VND	2022 VND
Other long-term receivables (Note 8(b))		
No.1 Viet Hung Construction Joint Stock Company	2,352,159,064	893,517,080
Long-term trade accounts payable (Note 17(b))		
No.1 Viet Hung Construction Joint Stock Company	18,433,609,434	12,343,482,626
No.1 Viet Tong Construction Joint Stock Company	3,790,733,687	3,790,733,687
Chuong Duong Joint Stock Company	3,063,058,065	3,063,058,065
	25,287,401,186	19,197,274,378
Short-term advances from customers (Note 18(a))		
No.1 Viet Hung Construction Joint Stock Company	39,346,190,773	-
3H Building Materials Joint Stock Company	1,000,000,000	-
	40,346,190,773	-

38 OPERATING LEASE COMMITMENTS**(a) The Group as a lessor**

The Group signed operating lease contracts. Accordingly, the future minimum lease receipts under non-cancellable operating leases are as follows:

	2023 VND	2022 VND
Within 1 year	193,442,463,764	119,840,574,840
Between 1 and 5 years	229,507,821,977	197,417,771,798
Over five years	333,611,560,528	352,031,475,715
Total minimum receipts	756,561,846,269	669,289,822,353

38 OPERATING LEASE COMMITMENTS (continued)**(b) The Group as a lessee**


The Group signed operating lease contracts. Accordingly, the future minimum lease payments under non-cancellable operating leases are as follows:

	2023 VND	2022 VND
Within 1 year	-	10,111,600,000
Between 1 and 5 years	-	88,177,200,000
Over 5 years	-	538,610,000,000
Total minimum payments	-	636,898,800,000


As at 31 December 2022, the amount arising from the commitment of future minimum payments of the non-cancellable operating leases mainly belongs to Mekong No.1 Construction Investment Joint Stock Company, a former subsidiary of the Group.

The consolidated financial statements were approved by the Board of Management on 28 March 2024.


Dinh Thi Hong Ngoc
Preparer


Tran Thi Ngoc Thuy
Chief Accountant




Le Bao Anh
General Director