

**KinhBac City Development Holding Corporation**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE FORTH  
QUARTER OF 2022**

# KinhBac City Development Holding Corporation

## CONTENTS

	<i>Pages</i>
Consolidated Balance Sheet	1 - 4
Consolidated Income Statement	5 - 6
Consolidated Cash Flow	7 - 8
Notes to consolidated financial statements	9 - 47

CONSOLIDATED BALANCE SHEET  
As at December 12, 2022

Currency: VND

Code	ASSETS	Notes	31 December 2022	31 December 2021
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>27,836,798,447,913</b>	<b>25,684,222,720,417</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,683,149,405,060</b>	<b>2,562,478,285,805</b>
111	1. Cash		1,401,510,923,666	728,220,230,961
112	2. Cash Equivalents		281,638,481,394	1,834,258,054,844
<b>120</b>	<b>II. Short-term investment</b>		<b>2,441,801,461,721</b>	<b>2,015,611,338,385</b>
121	1. Held-for-trading securities	5.1	1,862,358,461,369	1,862,358,461,369
122	2. Provisions for held-for-trading securities	5.1	(6,226,144,519)	(2,308,273,169)
123	3. Held-to-maturity investments	5.2	585,669,144,871	155,561,150,185
<b>130</b>	<b>III. Current accounts receivable</b>		<b>11,142,230,904,326</b>	<b>9,345,615,937,801</b>
131	1. Short-term trade receivables	6.1	957,096,732,765	1,927,952,983,605
132	2. Short-term advances to suppliers	6.2	3,568,726,371,175	2,877,319,303,149
135	3. Short-term loan receivables	7	2,608,339,040,790	2,304,099,614,559
136	4. Other short-term receivables	8	4,051,596,166,436	2,252,661,317,138
137	5. Provision for doubtful short-term receivables	6.1,7	(43,527,406,840)	(16,417,280,650)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>12,254,198,910,019</b>	<b>11,515,237,946,621</b>
141	1. Inventories		12,254,198,910,019	11,515,237,946,621
<b>150</b>	<b>V. Other current assets</b>		<b>315,417,766,787</b>	<b>245,279,211,805</b>
151	1. Short-term prepaid expenses		61,288,381,308	79,145,682,100
152	2. Value-added tax deductible		206,459,927,198	136,584,272,359
153	3. Tax and other receivables from State	10	47,557,278,183	29,511,205,731
155	4. Other short-term assets		112,180,098	38,051,615

CONSOLIDATED BALANCE SHEET  
As at December 12, 2022

Currency: VND

Code	ASSETS	Notes	31 December 2022	31 December 2021
<b>200</b>	<b>B. LONG CURRENT ASSETS</b>		<b>7,095,473,895,612</b>	<b>5,317,619,872,086</b>
<b>210</b>	<b>I. Long term Receivables</b>		<b>577,146,331,223</b>	<b>1,489,805,463,863</b>
215	Long-term loan receivables	7	302,496,703,957	1,061,473,000,000
216	Other long-term receivables	8	274,649,627,266	428,332,463,863
<b>220</b>	<b>II. Fixed assets</b>		<b>359,551,177,827</b>	<b>248,553,074,644</b>
221	1. Tangible fixed assets	11	359,496,426,170	248,491,102,971
222	Cost		716,403,065,520	561,147,793,219
223	Accumulated depreciation		(356,906,639,350)	(312,656,690,248)
227	2. Intangible fixed assets		54,751,657	61,971,673
228	Cost		448,175,500	448,175,500
229	Accumulated amortisation		(393,423,843)	(386,203,827)
<b>230</b>	<b>III. Investment Properties</b>	<b>12</b>	<b>167,567,010,562</b>	<b>190,776,437,679</b>
231	1. Cost		255,584,291,494	255,288,287,858
232	2. Accumulated depreciation		(88,017,280,932)	(64,511,850,179)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>1,265,577,491,198</b>	<b>1,074,460,096,465</b>
242	1. Construction in progress	13	1,265,577,491,198	1,074,460,096,465
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>4,712,980,059,992</b>	<b>2,297,769,981,279</b>
252	1. Investments in associates	15.1	4,336,367,778,142	1,882,157,699,429
253	2. Investment in other entities	15.2	399,500,200,000	438,500,200,000
254	3. Provision for diminution in value of long-term investment		(22,887,918,150)	(22,887,918,150)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>12,651,824,810</b>	<b>16,254,818,156</b>
261	1. Long-term prepaid expenses		12,651,824,810	16,254,818,156
<b>270</b>	<b>TOTAL ASSETS</b>		<b>34,932,272,343,525</b>	<b>31,001,842,592,503</b>

CONSOLIDATED BALANCE SHEET  
As at December 12, 2022

Currency: VND

Code	LIABILITIES AND OWNERS' EQUITY	Note	December 31, 2022	December 31, 2021
<b>300</b>	<b>A. LIABILITIES</b>		<b>17,067,458,273,132</b>	<b>14,432,620,910,944</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>10,638,060,266,973</b>	<b>6,511,120,826,191</b>
311	1. Short – term trade payables	16	606,881,448,531	152,213,471,055
312	2. Short-term advances from customers	17	878,153,447,281	514,339,547,221
313	3. Statutory obligations	18	138,594,428,520	149,301,926,097
314	4. Payables to employees		105,518,054	9,452,327,919
315	5. Short-term accrued expenses	19	1,421,380,596,076	1,527,000,062,915
318	6. Short-term unearned revenues		1,735,270,676	2,303,464,821
319	7. Other short-term payables	20	3,683,377,475,367	2,634,535,163,959
320	8. Short-term loans	21	3,900,877,866,159	1,515,095,900,895
322	9. Bonus and welfare fund		6,954,216,309	6,878,961,309
<b>330</b>	<b>II. Non-current liabilities</b>		<b>6,429,398,006,159</b>	<b>7,921,500,084,753</b>
333	1. Long-term accrued expenses	22	1,760,623,543,716	1,430,816,612,872
336	2. Long-term unearned revenue		4,408,865,612	4,536,489,837
337	3. Other long-term liabilities	23	18,257,188,404	11,455,085,747
338	4. Long-term loans	21	3,737,588,054,488	5,539,263,915,459
341	5. Deferred tax liabilities	29.3	907,568,385,977	934,476,012,876
342	6. Long-term provisions		951,967,962	951,967,962
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>17,864,814,070,393</b>	<b>16,569,221,681,559</b>
<b>410</b>	<b>I. Capital</b>	<b>24</b>	<b>17,864,814,070,393</b>	<b>16,569,221,681,559</b>
411	1. Share capital		7,676,047,590,000	5,757,111,670,000
411a	Shares with voting rights		7,676,047,590,000	5,697,601,890,000
411b	Treasury shares		-	59,509,780,000
412	2. Share premium		2,743,529,570,000	3,397,344,430,000
415	3. Treasury shares		-	(364,466,650,000)
418	4. Investment and development fund		2,223,693,823	2,223,693,823
421	5. Undistributed earnings		5,663,811,818,358	5,411,370,039,775
421a	Undistributed earnings up to end of prior year		4,116,500,899,775	4,316,487,151,605
421b	Undistributed earnings of current period		1,547,310,918,583	1,094,882,888,170
429	6. Non-controlling interests		1,779,201,398,212	2,365,638,497,961
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>34,932,272,343,525</b>	<b>31,001,842,592,503</b>

CONSOLIDATED BALANCE SHEET  
As at December 12, 2022

(Signed)

\_\_\_\_\_  
Luu Phuong Mai  
Preparer

(Signed)

\_\_\_\_\_  
Pham Phuc Hieu  
Deputy General Director cum  
Chief Accountant

(Signed and Stamped)

\_\_\_\_\_  
Nguyen Thi Thu Huong  
General Director

January 30, 2023

## CONSOLIDATED INCOME STATEMENT

For the three-month period and financial year ended at December 31, 2022

Currency: VND

Code	ITEMS	Notes	Quarter 4/2022	Quarter 4/2021	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	116,017,654,588	1,169,346,609,490	1,404,547,008,087	4,245,981,967,388
02	2. Deductions	25.1	447,210,000,000	-	447,210,000,000	-
<b>10</b>	<b>3. Net revenue from sale of goods and rendering of services</b>	<b>25.1</b>	<b>(331,192,345,412)</b>	<b>1,169,346,609,490</b>	<b>957,337,008,087</b>	<b>4,245,981,967,388</b>
11	4. Cost of goods sold and services rendered	26	(38,897,519,881)	433,345,804,006	689,321,450,796	1,778,965,961,226
<b>20</b>	<b>5. Gross profit/(loss) from sale of goods and rendering of services</b>		<b>(292,294,825,531)</b>	<b>736,000,805,484</b>	<b>268,015,557,291</b>	<b>2,467,016,006,162</b>
21	6. Finance income	25.2	103,496,776,663	58,431,097,938	337,779,077,108	169,544,625,558
22	7. Finance expense	27	151,294,746,698	138,092,422,844	591,962,679,910	541,392,222,505
23	<i>In which: Interest expenses</i>		130,393,518,696	118,994,779,716	522,563,603,153	480,600,549,118
24	8. Profit/(Loss) from associates	15.1	(10,696,381,072)	407,558,019,518	2,199,240,848,713	411,668,846,572
25	9. Selling expenses	28	5,280,623,051	70,415,315,413	45,914,808,917	189,915,851,874
26	10. General and administrative expenses	28	175,814,794,475	173,636,070,480	458,743,917,089	428,557,565,443
<b>30</b>	<b>11. Operating (Loss)/Profit</b>		<b>(531,884,594,164)</b>	<b>819,846,114,203</b>	<b>1,708,414,077,196</b>	<b>1,888,363,838,470</b>
31	12. Other income		635,698,875	2,258,027,130	20,629,080,350	5,378,406,364
32	13. Other expenses		1,202,919,270	123,449,560,923	10,170,614,873	131,977,203,231
<b>40</b>	<b>14. Other Profit/(Loss)</b>		<b>(567,220,395)</b>	<b>(121,191,533,793)</b>	<b>10,458,465,477</b>	<b>(126,598,796,867)</b>
<b>50</b>	<b>15. Accounting profit before tax</b>		<b>(532,451,814,559)</b>	<b>698,654,580,410</b>	<b>1,718,872,542,673</b>	<b>1,761,765,041,603</b>
51	16. Current corporate income tax expenses	29.2	12,202,513,257	29,373,942,664	150,106,350,738	252,330,651,691
52	17. Deffered tax income	29.3	4,964,255,882	(50,676,800,281)	26,907,626,899	(157,737,836,082)

## CONSOLIDATED INCOME STATEMENT

For the three-month period and financial year ended at December 31, 2022

Currency: VND

Code	ITEMS	Notes	Quarter 4/2022	Quarter 4/2021	Current year	Previous year
60	18. Net (loss)/profit after tax (60=50-51+52)		(539,690,071,934)	618,603,837,465	1,595,673,818,834	1,351,696,553,830
61	18.1. Net (loss)/profit after tax attributable to shareholders of the parent	24.1	(482,392,500,572)	523,222,049,784	1,547,310,918,583	1,094,882,888,170
62	18.2. Net (loss)/profit after tax attributable to non-controlling interests	24.1	(57,297,571,362)	95,381,787,681	48,362,900,251	256,813,665,660
70	19. (Loss)/Profit per share					
	- Basic (loss)/earnings per share		(633)	751	2,019	1,664
	- Diluted (loss)/earning per share		(633)	751	2,019	1,664

(Signed)

---

 Luu Phuong Mai  
 Preparer

January 30, 2023

(Signed)

---

 Pham Phuc Hieu  
 Deputy General Director cum  
 Chief Accountant

(Signed and Stamped)

---

 Nguyen Thi Thu Huong  
 General Director

CONSOLIDATED CASH FLOW STATEMENT  
For the financial year ended December 31, 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>1,718,872,542,673</b>	<b>1,761,765,041,603</b>
	<i>Adjustments for</i>			
02	Depreciation		67,762,599,871	75,692,369,658
03	Provision/(Reversal of provision)		31,027,997,540	6,086,350,800
05	Profit from investing activities		(2,575,683,562,185)	(581,041,517,433)
06	Interest expenses and issuing bond expenses	27	579,774,824,516	535,939,120,876
08	<b>Operating (Loss)/Profit before changes in working capital</b>		<b>(178,245,597,585)</b>	<b>1,798,441,365,504</b>
09	Increase in receivables		(686,345,557,245)	(2,079,224,026,029)
10	Increase/(Decrease) in inventories		(738,960,963,398)	337,195,019,142
11	Increase/(Decrease) in payables		2,027,264,248,954	(529,907,612,028)
12	Decrease in prepaid expenses		21,460,294,138	3,749,012,462
14	Interest paid		(486,307,758,776)	(440,603,786,324)
15	Corporate income tax paid		(171,441,693,739)	(321,939,769,128)
16	Other income from doing business		-	16,400,000
20	<b>Net cash flows in operating activities</b>		<b>(212,577,027,651)</b>	<b>(1,232,273,396,401)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long term assets		(171,329,645,887)	(240,288,477,551)
22	Proceeds from disposals, selling of long term fixed assets		336,363,636	-
23	Proceed on lendings, purchase of debt instruments of other entities		(2,779,592,667,136)	(4,196,077,303,624)
24	Collections from borrowers and proceeds from sale of debt instruments from other entities.		2,066,513,832,190	1,403,533,561,236
25	Capital contribution to other entities		(691,636,726,971)	(305,765,650,879)
26	Proceed from sale of investment in other entities		243,880,217,500	75,000,000,000
27	Interest and dividends received		127,852,207,328	112,434,316,937
30	<b>Net cash flows used in investing activities</b>		<b>(1,203,976,419,340)</b>	<b>(3,151,163,553,881)</b>

CONSOLIDATED CASH FLOW STATEMENT(continued)  
For the financial year ended December 31, 2022

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuing shares, receiving capital contribution		334,718,570,000	4,583,280,000,000
33	Short –term, long term loan received		1,608,528,201,583	4,640,537,120,839
34	Repayment of borrowings		(1,406,013,345,337)	(3,308,557,056,786)
36	Dividend paid		(8,860,000)	(19,101,949,923)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>537,224,566,246</b>	<b>5,896,158,114,130</b>
<b>50</b>	<b>Net cash flows for the period</b>		<b>(879,328,880,745)</b>	<b>1,512,721,163,848</b>
<b>60</b>	<b>Cash and cash equipvalents at the beginning of the year</b>		<b>2,562,478,285,805</b>	<b>1,049,757,121,957</b>
<b>70</b>	<b>Cash and cash equipvalents at the end of the year</b>	<b>4</b>	<b>1,683,149,405,060</b>	<b>2,562,478,285,805</b>

(Signed)

\_\_\_\_\_  
Luu Phuong Mai  
Preparer

(Signed)

\_\_\_\_\_  
Pham Phuc Hieu  
Deputy General Director cum  
Chief Accountant

(Signed and Stamped)

\_\_\_\_\_  
Nguyen Thi Thu Huong  
General Director

January 30, 2023

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 1. CORPORATE INFORMATION

### CORPORATE

KinhBac City Development Holding Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh Province on 27 March 2002, and the subsequent amendments, with the latest is the 18<sup>th</sup> amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh Province on 5 July 2022.

The Company has the following subsidiaries:

- ▶ Saigon – Bac Giang Industrial Park Corporation;
- ▶ Saigon – Hai Phong Industrial Park Corporation;
- ▶ Northwest Saigon City Development Corporation;
- ▶ Trang Cat One Member Urban Development Company Limited;
- ▶ NGD Investment One Member Company Limited;
- ▶ Kinh Bac Office and Factory Business One Member Company Limited;
- ▶ Kinh Bac – Da Nang Investment One Member Company Limited;
- ▶ Tien Duong Development Holding Joint Stock Company;
- ▶ Hung Yen Investment and Development Corporation;
- ▶ Tan Phu Trung – Long An Industrial Park One Member Company Limited;
- ▶ Bac Giang – Long An Industrial Park One Member Company Limited;
- ▶ Tan Tap Industrial Infrastructure Development Limited Company;
- ▶ Long An Investment Development Joint Stock Company;
- ▶ Vung Tau Investment Group Joint Stock Company;
- ▶ Bao Lac Spiritual Park Joint Stock Company;
- ▶ Quang Yen Electronics Company Limited; và
- ▶ Quang Yen Manufacturing Industry Company Limited.

The current principal activities of the Company are to invest, construct and trade infrastructure inside and outside the industrial parks; to lease and sell factory plants constructed by the Company in the industrial parks, and residential – urban areas, to carry out financial investment; and other activities in accordance with the Enterprise Registration Certificate.

The business cycle of the Company starts from the acquisition of investment license, land clearance, infrastructure development of industrial parks and urban areas until the time of completion and land is handed over to customers. As a result, the business cycle of the Company may extend over 12 months.

The Company’s head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its Ho Chi Minh branch is located at No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Vietnam.

The Company’s shares were listed on Ho Chi Minh City Stock Exchange in accordance with Decision No. 153/QĐ-SGDHCM issued by Ho Chi Minh City Stock Exchange on 7 December 2009.

The total number of employees as at December 31, 2022: 554 (December 31, 2021: 548).

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 1. CORPORATE INFORMATION (continued)

### BOARD OF DIRECTORS

Members of Board of Directors during the year and as at date of the report are as follows:

Mr. Dang Thanh Tam	Chairman	
Ms. Nguyen Thi Thu Huong	Member	
Mr. Le Hoang Lan	Independent member	Appointed at February 10, 2022
Ms. Dang Nguyen Quynh Anh	Member	Appointed at February 10, 2022
Mr. Huynh Phat	Member	
Mr. Pham Phuc Hieu	Member	Resigned at February 10, 2022
Mr. Nguyen Vinh Tho	Member	Resigned at February 10, 2022

### BOARD OF SUPERVISION

Member of Board of supervision during the period and at the date of this report are:

Ms. Nguyen Bich Ngoc	Head of the Board
Ms. The Thi Minh Hong	Member
Mr. Tran Tien Thanh	Member

### BOARD OF MANAGEMENT

Member of Board of Management during the period and at the date of this report are:

Ms. Nguyen Thi Thu Huong	General Director
Mr. Phan Anh Dung	Deputy General Director
Mr. Pham Phuc Hieu	Deputy General Director cum Chief Accountant
Ms. Nguyen My Ngoc	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Dang Thanh Tam - Chairman. Ms. Nguyen Thi Thu Huong – General Director has been authorized by Mr. Dang Thanh Tam to sign the accompanying separate financial statements for 2022 in accordance with the Authorisation Letter No. 2506/2022/KBC/UQ dated 25 June 2022.

### COPORATE STRUCTURE

At December 31, 2022, the Company has the following subsidiaries:

<u>No.</u>	<u>Company's name</u>	<u>Voting right (%)</u> (*)	<u>Effective interest rate (%)</u>	<u>Head office</u>	<u>Main activities</u>
1	Saigon – Bac Giang Industrial Park Corporation	92,5	88,06	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province, Viet Nam	Investment, building and trading industrial parks and real estates
2	Saigon – Hai Phong Industrial Park Corporation	86,54	86,54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city, Viet Nam	Investment, building and trading industrial parks and real estates
3	Northwest Saigon City Development Corporation	74,3	72,44	Tram Bom, National Road No, 22, Tan Phu Trung, Cu Chi, Ho Chi Minh city, Viet Nam	Investment, building and trading industrial parks and real estates

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**1. CORPORATE INFORMATION** (continued)

**COPORATE STRUCTURE** (continued)

<i>No.</i>	<i>Company's name</i>	<i>Voting right (%) (*)</i>	<i>Effective interest rate (%)</i>	<i>Head office</i>	<i>Main activities</i>
4	Trang Cat One Member Urban Development Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong city	Investment, building and trading industrial parks and real estates
5	NGD Investment One Member Company Limited	100	100	No. 10 Hang Bot Lane, Cat Linh ward, Dong Da District, Hanoi , Viet Nam	Investment, building and trading real estates
6	Kinh Bac Office and Factory Business One Member Company Limited	100	100	Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh province, Viet Nam	Investment, building and trading real estates
7	Kinh Bac – Da Nang Investment One Member Company Limited	100	100	61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang city, Viet Nam	Investment, building and trading real estates
8	Tien Duong Development Holding Joint Stock Company	51	51	100 An Trach, Cat Linh Ward, Dong Da District, Hanoi, Viet Nam	Investment, building and trading real estates
9	Tan Phu Trung – Long An Industrial Park One Member Company Limited	100	72.44	88 Tran Phong Sac, No. 4 Ward, Tan An City, Long An Province, Viet Nam	Architectural activities and related technical consultancy
10	Bac Giang – Long An Industrial Park One Member Company Limited	100	88.06	489E/Road 824, Zone 5, Duc Hoa Ward, Duc Hoa District, Long An Province, Viet Nam	Architectural activities and related technical consultancy
11	Tan Tap Industrial Infrastructure Development Limited Company	100	86.54	531E, Zone 5, Duc Hoa ward, Duc Hoa District, Long An Province, Viet Nam	Architectural activities and related technical consultancy
12	Hung Yen Investment and Development Corporation	95	93.65	537, Nguyen Van Linh Street, Le Loi Ward, Hung Yen City, Hung Yen Province, Vietnam	Building and trading real estates
13	Long An Investment Development Joint Stock Company	60	56.77	Lot 6A, Road No. 3, Tan Duc Industrial Park, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	Building and trading real estates
14	Vung Tau Investment Group Joint Stock Company	74.52	74.52	Link 28 Hang Dieu 1 Street, Ward 10, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	Building and trading real estates
15	Bao Lac Spiritual Park Joint Stock Company	65	56.25	Ngo Xa village, Long Chau commune, Yen Phong district, Bac Ninh province, Vietnam	Funeral service activities
16	Quang Yen Electronics Company Limited	100	86.54	Lot NA8-2, high-class factory and factory project complex, Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province, Vietnam	Manufacturing electronic components

## NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at the financial year ended December 31, 2022

17	Quang Yen Manufacturing Industry Company Limited	100	86.54	Lot NA8-1, high-class factory and factory project complex, Dam Nha Mac area, Lien Vi commune, Quang Yen town, Quang Ninh province, Vietnam	Manufacturing of engines , turbines (except aircraft, automobile, motorbike and motorcycle engines)
----	---	-----	-------	---	---

**2. BASIS OF PREPARATION****2.1 Accounting standards and syste**

The consolidated financial statements of the Company are prepared by VND, accordance with the Vietnamese Enterprise Accounting System and Vietnam Accounting Standards issued by the Ministry of Fianance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the consolidated financial statements and notes of the consolidated financial statements and their utilisation are not designed for those who are not informed Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnams.

**2.2 Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

**2.3 Fiscal year**

The Company's fiscal year applicable for the preparation of its financial statements starts on January 1 and ends on December 31.

**2.4 Accounting currency**

The consolidated financial statements are prepared in VND which is also the Company's accounting currency.

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the financial year ended December 31 2022.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the Parent company and its subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## **2. BASIS OF PREPARATION**

### **2.5. Basis of consolidation**

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### **3.2 Inventories**

Industrial and residential real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises expenses on land use fees, land rentals, land compensation and clearance costs, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, etc. and other related costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

Cost of real estate sold is recognized in the consolidated statement of income on the basis of the direct costs constituting the property and amortized on the basis of the square footage corresponding property.

#### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

### **3.3 Receivables**

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Receivables (continued)*

balance are recorded as general and administrative expense in the consolidated income statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred. When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal is included in the consolidated income statement.

#### 3.5 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred. When intangible assets are sold or retired, any gain or loss resulting from their disposal is included in the consolidated income statement.

#### 3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures (including land and infrastructure development cost)	8 – 25 years
Machinery and equipment	4 – 8 years
Means of transportation	6 – 10 years
Office equipment	3 – 5 years

#### 3.7 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Factories	8 years
Land and Infrastructure development cost	40 years

Investment properties are derecognised in the consolidated balance sheet when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.7 *Investment properties (continued)***

net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

#### **3.8 *Borrowing costs***

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

#### **3.9 *Prepaid expenses***

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recognized as prepaid long term expenses to amortize into the consolidated income statement:

- ▶ Prepaid rental expenses that are amortized over the prepaid lease term;
- ▶ Prepaid long term expenses that are amortized over the period from 1 to 3 years.

#### **3.10 *Business combinations and goodwill***

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.11 Investments**

##### *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Held-for-trading securities and investments in other entities*

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

##### *Provision for diminution in value of trading securities and contribution investments*

Provision for diminution in value of trading securities and contribution investments at the balance sheet date are in accordance with Circular No. 228/2009/TT-BTC issued by Ministry of Finance, dated December 7, 2009 and Circular No 89/2013/TT-BTC issued by Ministry of Finance, dated June 26, 2013. Increase or decrease in the provision balance is charged to financial expense in the consolidated income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the consolidated income statement and deducted against the value of such investments.

#### **3.12 Payables and prepaid expenses**

Payables and prepaid expenses are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### **3.13 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation will be revised at

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Accrual for severance pay*

the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

*This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code*

#### 3.14 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the consolidated balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

#### 3.15 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

#### 3.16 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

##### *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investment.

##### *Bonus and welfare fund*

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 *Appropriation of net profits (continued)*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

#### 3.17 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Long-term lease of land and infrastructure*

Revenue is recognised when the Group has transferred significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

##### *Real estate transfer*

Revenue is recognised when the Group has transferred significant risks and rewards associated with the real estates' ownership to the buyer.

##### *Sale of factories*

Revenue is recognised when the Group has transferred significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

##### *Lease of factories*

Revenue under operating lease of factories is recognised in the consolidated income statement on a straight-line basis over the lease term.

##### *Rendering of services*

Revenue is recognised when services have been provided to the customers and are determined by the net value after deducting discounts, value-added tax, and other deductions.

##### *Gain from transfer of investment, trading of securities and capital*

Gain from transfer of investment, trading of securities and capital is determined by the difference between the sale proceeds and cost of the securities and/or investment held by the Company. Gain is recorded on the trade date, which is when the contract becomes effective.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Dividends*

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

#### 3.18 *Cost of long-term lease of land and infrastructure*

Cost of sale related to long-term lease of land and infrastructure includes all direct costs that are attributable to the development of land and infrastructure and other overhead costs allocated on a reasonable basis to such activities including:

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 Cost of long-term lease of land and infrastructure

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities; and
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

#### 3.19 Tax

##### *Current income tax*

Current income tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Tax (continued)

deferred tax assets are re assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

#### 3.20 Segment information

A segment is a component which can be separately identified in which the Group takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and returns that are different from those of other segments. Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business and in one geographic region which is Vietnam

### 4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Cash	10,140,177,147	22,087,144,056
Cash at banks	1,391,370,746,519	706,133,086,905
Cash equivalents	<u>281,638,481,394</u>	<u>1,834,258,054,844</u>
<b>TOTAL</b>	<b><u>1,683,149,405,060</u></b>	<b><u>2,562,478,285,805</u></b>

(\*) Cash equivalents at December 31, 2022 mainly include short-term deposits in VND at banks which earn interest ranging from 4.6% to 6% per annum and have maturity term from 1 month to 3 months.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 5. SHORT-TERM INVESTMENTS

### 5.1 Held-for-trading securities

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	No. of Shares	Cost (VND)	No. of Shares	Cost(VND)
Short-term invest on Hoa Sen Hotel One member Ltd Company		1,854,868,000,000		1,854,868,000,000
Invest on listed shares (*)	312,177	7,490,461,369	312,177	7,490,461,369
<b>TOTAL</b>		<b>1,862,358,461,369</b>		<b>1,862,358,461,369</b>
Provision for short-term investment		(6,226,144,519)		(2,308,273,169)

(\*) As at December 31 2022, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

### 5.2 Held-to-maturity investment

	<i>Currency: VND</i>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Short-term deposit at banks	585,669,144,871	155,561,150,185
<b>TOTAL</b>	<b>585,669,144,871</b>	<b>155,561,150,185</b>

## 6. RECEIVABLES

### 6.1 Short-term receivables from customers

	<i>Currency: VND</i>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Short-tem receivables	957,096,732,765	1,927,952,983,605
<b>TOTAL</b>	<b>957,096,732,765</b>	<b>1,927,952,983,605</b>
Provision for doubtful short-term receivables	(43,027,406,840)	(15,917,280,650)
<b>TOTAL</b>	<b>914,069,325,925</b>	<b>1,912,035,702,955</b>

### 6.2 Advance to suppliers

	<i>Currency: VND</i>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Kinh Bac Investment and Consulting JSC	1,847,030,699,519	1,611,672,251,392
Kinh Bac Service Joint Stock Company	1,211,329,235,058	1,002,807,872,123
Viet Yen Industrial Cluster Land Fund Development Center	198,943,021,796	163,495,138,596
Saigontel Real Estate Investment JSC	29,650,000,000	29,650,000,000
Cu Chi District Compensation and Site Clearance Board	21,071,084,665	23,008,765,304
Other advances	260,702,330,137	46,685,275,734
<b>TOTAL</b>	<b>3,568,726,371,175</b>	<b>2,877,319,303,149</b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**7. LOAN RECEIVABLES**

	<i>Currency: VND</i>	
	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Short-term		
Receivables from related parties (Note 30)	951,048,888,922	1,172,777,398,516
Receivables from other companies	1,657,290,151,868	1,131,322,216,043
<b>TOTAL</b>	<b><u>2,608,339,040,790</u></b>	<b><u>2,304,099,614,559</u></b>
Provision for doubtful loan receivables	(500,000,000)	(500,000,000)
Long-term		
Kinh Bac Service Joint Stock Company	177,473,000,000	435,473,000,000
Receivables from other companies (Note 30)	124,723,703,957	625,000,000,000
Others	300,000,000	1,000,000,000
<b>TOTAL</b>	<b><u>302,496,703,957</u></b>	<b><u>1,061,473,000,000</u></b>

**8. OTHER RECEIVABLES**

	<i>Currency: VND</i>			
	<i>December 31, 2022</i>		<i>December 31, 2021</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Short-term				
Saigon Investment JSC	10,234,036,445	-	-	-
Kinh Bac Service Joint Stock Company	89,589,036	-	21,067,064,795	-
Prepaid to PVcombank	242,049,763,870	-	237,365,756,101	-
Department of Plan and Investment of Long An	351,272,000,000	-	51,241,500,000	-
Kinh Bac Investment and Consulting JSC	188,970,175,347	-	57,474,493,154	-
Business cooperation contract	200,000,000,000	-	-	-
Receivables from the People's Committee of Bac Ninh Province to support the sublease price of land with infrastructure	19,440,000,000	-	19,440,000,000	-
Deposit receivables	26,686,308,404	-	12,851,128,404	-
Other receivables from related entities (Note 30)	734,452,098,243	-	867,535,656,321	-
Advance to employees	1,919,827,811,985	-	902,301,138,641	-
Other receivables	358,574,383,106	-	83,384,579,722	-
	<b><u>4,051,596,166,436</u></b>	<b><u>-</u></b>	<b><u>2,252,661,317,138</u></b>	<b><u>-</u></b>
Long-term				
Receivables from related entities (Note 30)	17,806,589,097	-	-	-
Other long-term receivables	256,843,038,169	-	428,332,463,863	-
	<b><u>274,649,627,266</u></b>	<b><u>-</u></b>	<b><u>428,332,463,863</u></b>	<b><u>-</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**9. INVENTORIES**

	<i>Currency: VND</i>	
	<i>December 31, 2022</i>	<i>December 31, 2021</i>
<b><i>Production and Business Expenses in Progress</i></b>		
Trang Cat IP and UA Project	7,841,171,755,280	7,406,822,608,984
Tan Phu Trung IP Project	1,126,752,125,292	1,207,009,640,754
Phuc Ninh UA Project	1,107,252,456,826	1,102,933,602,162
Quang Chau IP Project	318,789,327,909	306,217,079,485
Nam Son – Hap Linh IP Project	1,001,910,372,476	813,284,229,517
Trang Due UA Project	365,592,756,775	601,108,573,183
Trang Due IP Project	16,956,739,741	9,435,752,946
Tan Tap IP Project	86,225,011,175	52,926,652,776
Social Housing Project in Nenh town	340,188,852,980	-
Other	49,359,511,565	15,499,806,814
<b>TOTAL</b>	<b><u>12,254,198,910,019</u></b>	<b><u>11,515,237,946,621</u></b>

**10. TAX AND OTHER RECEIVABLES FROM STATE**

	<i>Currency: VND</i>	
	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Corporate income tax (Note 29.2)	46,107,683,225	-
Other	1,449,594,958	29,511,205,731
<b>Total</b>	<b><u>47,557,278,183</u></b>	<b><u>29,511,205,731</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**11. TANGIBLE FIXED ASSETS**

Currency: VND

	<i>Buildings and structures (including cost of land development and infrastructure)</i>	<i>Machines</i>	<i>Transportations</i>	<i>Office devices</i>	<i>Other</i>	<i>Total</i>
<b>Cost:</b>						
As at January 1, 2022	373,920,674,464	65,107,069,784	94,167,604,183	26,594,835,698	1,357,609,090	561,147,793,219
- New purchase in the period	-	385,000,000	42,777,716,293	7,512,226,800	-	50,674,943,093
- Transfer from construction	81,159,697,211	21,483,829,682	-	-	4,832,351,858	107,475,878,751
- Other increase	5,244,409,456	-	-	-	-	5,244,409,456
- Selling, disposal in the period	(5,190,630,000)	-	(2,949,328,999)	-	-	(8,139,958,999)
As at December 31, 2022	<u>455,134,151,131</u>	<u>86,975,899,466</u>	<u>133,995,991,477</u>	<u>34,107,062,498</u>	<u>6,189,960,948</u>	<u>716,403,065,520</u>
<i>In which:</i>						
<i>Fully depreciated</i>	<i>79,702,783,088</i>	<i>5,929,188,826</i>	<i>19,544,900,777</i>	<i>6,645,379,307</i>	<i>1,210,336,362</i>	<i>113,032,588,360</i>
<b>Accumulated depreciation:</b>						
As at January 1, 2022	203,818,336,182	40,035,262,590	52,929,169,030	14,633,756,898	1,240,165,548	312,656,690,248
Depreciation for the year	31,102,935,591	5,131,645,848	11,654,877,310	2,588,309,016	1,931,158,191	52,408,925,956
Selling, disposal for the year	(5,190,630,000)	-	(2,949,328,999)	-	-	(8,139,958,999)
Other decrease	-	(19,017,855)	-	-	-	(19,017,855)
As at December 31, 2022	<u>229,730,641,773</u>	<u>45,147,890,583</u>	<u>61,634,717,341</u>	<u>17,222,065,914</u>	<u>3,171,323,739</u>	<u>356,906,639,350</u>
<b>Net carrying amount:</b>						
As at January 1, 2022	<u>170,102,338,282</u>	<u>25,071,807,194</u>	<u>41,238,435,153</u>	<u>11,961,078,800</u>	<u>117,443,542</u>	<u>248,491,102,971</u>
As at December 31, 2022	<u>225,403,509,358</u>	<u>41,828,008,883</u>	<u>72,361,274,136</u>	<u>16,884,996,584</u>	<u>3,018,637,209</u>	<u>359,496,426,170</u>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**12. INVESTMENT PROPERTIES**

Currency: VND

*Factories (includes cost  
for land investment and  
infrastructure)*

**Cost**

As at January 1, 2022	255,288,287,858
Increase in the period	296,003,636
As at December 31, 2022	<u>255,584,291,494</u>

**Accumated Depreciation:**

As at January 1, 2022	64,511,850,179
Increase in the period	23,505,430,753
Decrease in the period	-
As at December 31, 2022	<u>88,017,280,932</u>

**Net carrying amount**

As at January 1, 2022	<u>190,776,437,679</u>
As at December 31, 2022	<u>167,567,010,562</u>

**13. CONSTRUCTION IN PROGRESS**

Currency: VND

	<i>December 31, 2022</i>	<i>December 21, 2021</i>
--	--------------------------	------------------------------

Vien Dong Meridian Towers Project	744,491,019,749	741,024,270,809
Multi-Function Complex in Hanoi	106,455,116,818	106,555,116,818
Water supply and wastewater treatment system in Nam Son Hap Linh IP	110,470,318,853	78,851,668,712
Wastewater plant phase 3 in Quang Chau IP	58,361,116,901	21,940,385,662
Loc Giang IP	47,861,602,486	
Quang Yen Electronic Company	27,266,787,029	-
Agricultural machinery engine spare parts company	41,559,184,000	-
Clean water supply company in Quang Chau IP	29,838,854,254	84,158,763,028
Expanded wastewater company in expanded Que Vo IP	27,761,295,851	-
Other	71,512,195,257	41,929,891,436
<b>TOTAL</b>	<b><u>1,265,577,491,198</u></b>	<b><u>1,074,460,096,465</u></b>

**14. CAPITALIZED BORROWING EXPENSES**

During the year, the Group has capitalized on borrowing expenses with the amount of 293,9 billion VND. These borrowings expenses are related to the loan to invest in the construction and development of Nam Son Hap Linh IP, Phuc Ninh UA, Trang Due IP and UA, Trang Cat UA and other construction investment projects of the Group.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**15. LONG-TERM INVESTMENTS**

	Note	December 31, 2022	December 31, 2021
Investments in associates	15.1	4,336,367,778,142	1,882,157,699,429
Other long term investment	15.2	399,500,200,000	438,500,200,000
Provision for diminution in value of long-term investment share		(22,887,918,150)	(22,887,918,150)
<b>TOTAL</b>		<b><u>4,712,980,059,992</u></b>	<b><u>2,297,769,981,279</u></b>

**15.1 Investments in associates**

	Note	Ownership interest	December 31, 2022		December 31, 2021	
			No. of shares	Net book value(VND)	No. of shares	Net book value(VND)
			Le Minh Xuan 2 IP Investment Corporation	(i)	22.02%	11,660,000
Saigon – Nhonhoi IP Corporation	(ii)	35.35%	54,000,000	955,490,925,487	54,000,000	937,862,550,000
Saigontel Long An Company limited	(iii)	21.63%	-	111,323,916,660	-	112,598,374,502
Saigon Telecommunication & Technologies	(iv)	21.48%	15,896,923	430,856,563,565	15,896,923	243,842,556,349
Saigon – Danang Investment Corporation	(v)	48%	9,600,000	2,250,842,153,852	-	-
Scanviwood Corporation	(vi)	34%	1,077,528	4,854,218,578	1,077,528	4,854,218,578
<b>TOTAL</b>				<b><u>4,336,367,778,142</u></b>		<b><u>1,882,157,699,429</u></b>

**(i) Le Minh Xuan 2 Industrial Park Investment Corporation**

Le Minh Xuan 2 Industrial Park Investment Corporation was founded under the 1<sup>st</sup> Bussiness Registration Certificate no.0311757628 issued by Ho Chi Minh Department of Planning and Investment dated April 27, 2012 and re-issued dated March 16, 2015, with the charter capital of 458,125,000,000 VND. Its main activities under Bussiness Registration Certificate is real estate trading, land use rights belonging to owner, user or collection of the land.

Its registered office is located at 20 Phung Khac Khoan, Dakao ward, District 1, Hochiminh City, Vietnam.

**(ii) Saigon – Nhon Hoi Industrial Park Joint Stock Compnay**

Saigon – Nhon Hoi Industrial Park Joint Stock Compnay was established under the first Bussiness Registration Certificate No. 3503000070 issued by Department of Planning and Investment of Binh Dinh Province dated Octorber 24, 2005 and the Bussiness Registration Certificate with the 11st amendment, dated December 13, 2021 with a registered capital of 1,200 billion VND. Its principle activities include industrial parks, industrial clusters, urban and residential areas, tourist areas and amusement parks, offices.

Its registered office is located at Lot A2-01, N3 street, Nhon Hoi Industrial Park - Zone A, Nhon Hoi Commune, Quy Nhon City, Binh Dinh Province, Vietnam.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**15. LONG-TERM INVESTMENTS (Continued)**

**15.1 Investments in associates (continued)**

*(iii) Saigontel Long An Company Limited*

Saigontel Long An Company Limited was established under Business Registration Certificate No. 1101977241 issued by Department of Planning and Investment of Long An

Province, dated February 18, 2021 with a registered capital of 450 billion VND. Its principal activities include investment, construction and business of industrial park infrastructure.

Its registered office is located at Lot 6A, the 3<sup>rd</sup> street, Tan Duc Industrial Park, Hoa Ha Ward, Duc Hoa District, Long An Province, Vietnam.

*(iv) Saigon Telecommunication & Technologies JSC*

Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses, with the latest is the 14<sup>th</sup> amended Business Registration Certificate dated June 17, 2015, with a registered charter capital of VND740 billion. Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses, with the latest is the 14<sup>th</sup> amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND740 billion. Its principal activities include trading computer, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is located at Lot 46, Quang Trung Software Park, Tan Chanh Hiep ward, 12 district, Ho Chi Minh city, Vietnam.

*(v) Saigon - Da Nang Investment Joint Stock Company*

Saigon - Da Nang Investment Joint Stock Company was established in pursuant to the First Business Registration Certificate No. 3203000719 by the Department of Planning and Investment of Da Nang City on 3 August 2005 and the Business Registration Certificate, the 10<sup>th</sup> Amendment No. 0400503777 dated June 16, 2022 with a registered capital of VND 200 billion. Its principal activities include: investment and construction in industrial parks, industrial clusters, urban and residential areas, tourist areas and amusement parks, infrastructure construction for information technology.

Its registered office is located at 61A Nguyen Van Cu, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City, Vietnam.

*(vi) Scanviwood Joint Stock Company*

Scanviwood Joint Stock Company was established in pursuant to the Business Registration Certificate No. 411031000006 by the Department of Planning and Investment of Ho Chi Minh City on June 10, 2015 and the 1<sup>st</sup> Amendment dated February 29, 2016 with the registered capital of 31,69 billion VND. Its principal activities include manufacturing of household products for export.

Its registered office is located at 565 An Duong Vuong, An Lac ward, Binh Thanh district, Ho Chi Minh city, Vietnam.

# KinhBac City Development Holding Corporation

B09a-DN/HN

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 15. LONG-TERM INVESTMENTS (continued)

### 15.1 Investment in associates (continued)

Investments in associates as December 31, 2022 are as below:

	Currency: VND						
	<i>Saigon Telecommunication \$ Technologies Corporation</i>	<i>Saigontel Long An Limited Compnay</i>	<i>Scanviwood JSC</i>	<i>Saigon – Nhon Hoi Industrial Park Joint Stock Compnay (*)</i>	<i>Le Minh Xuan 2 Industrial Park Investment Corporation</i>	<i>Saigon - Da Nang Investment Joint Stock Company</i>	<i>Total</i>
<b>Cost of investment</b>							
As at January 1, 2022	423,492,661,074	112,500,000,000	7,204,600,000	540,000,000,000	583,000,000,000	-	1,666,197,261,074
Increase	158,969,230,000	-	-	-	-	96,000,000,000	254,969,230,000
As at December 31, 2022	<u>582,461,891,074</u>	<u>112,500,000,000</u>	<u>7,204,600,000</u>	<u>540,000,000,000</u>	<u>583,000,000,000</u>	<u>96,000,000,000</u>	<u>1,921,166,491,074</u>
<b>Accumulated profit/(loss) post-acquisition :</b>							
As at January 1, 2022	(19,422,378,339)	98,374,502	(2,350,381,422)	397,862,550,000	-	-	376,188,164,741
Income from bargain purchase	28,044,777,216	(1,274,457,842)	-	17,628,375,487	-	(26,167,443,674)	18,231,251,187
Difference between acquiree's share of net assets and consolidated cost in bussiness	-	-	-	-	-	2,181,009,597,526	2,181,009,597,526
As at December 31, 2022	<u>8,622,398,877</u>	<u>(1,176,083,340)</u>	<u>(2,350,381,422)</u>	<u>415,490,925,487</u>	<u>-</u>	<u>2,154,842,153,852</u>	<u>2,575,429,013,454</u>
<b>Accumulated amortization of goodwill:</b>							
As at January 1, 2022	(160,227,726,386)	-	-	-	-	-	(160,227,726,386)
As at December 31, 2022	<u>(160,227,726,386)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,227,726,386)</u>
<b>Net carrying amount</b>							
As at January 1, 2022	243,842,556,349	112,598,374,502	4,854,218,578	937,862,550,000	583,000,000,000	-	1,882,157,699,429
As at December 31, 2022	<u>430,856,563,565</u>	<u>111,323,916,660</u>	<u>4,854,218,578</u>	<u>955,490,925,487</u>	<u>583,000,000,000</u>	<u>2,250,842,153,852</u>	<u>4,336,367,778,142</u>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 15. LONG-TERM INVESTMENTS (continued)

(\*) As at December 31, 2021, Northwest Saigon City Development Corporation is the subsidiary of the Company which owns 35% of the share capital of Saigon Nhon Hoi Industrial Park Joint Stock Company, thus bringing the total number of shares held by the Company directly and indirectly to 35.35%. In 2022, the company has retroactively recorded the consolidation of this associate from the date of acquisition under the request of the Vietnamese Accounting Standards after revaluating the fair value of the net assets in this associate. This retroactive adjustment has caused to increase in profits from associates and the Company's profit after tax in 2021 by VND 397,862,550,000, increasing the profit after tax of shareholders of the parent company by VND 312,578,502,060 and in profit after tax of non-controlling shareholders in 2021 to VND 85,284,047,940.

### 15.2 Investments in other entities

	<i>December 31, 2022</i>		<i>December 31, 2021</i>	
	<i>No. of Share</i>	<i>Cost (VND)</i>	<i>No. of Share</i>	<i>Cost (VND)</i>
Saigon - Quy Nhon Mineral JSC	6,900,000	339,000,000,000	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	-	-	3,900,000	39,000,000,000
VTC-Saigontel Media JSC	3,070,020	30,700,200,000	3,070,020	30,700,200,000
Saigon - Binh Phuoc Industrial Park JSC	190,000	19,000,000,000	190,000	19,000,000,000
Saigon - Ham Tan Tourism JSC	70,000	7,000,000,000	70,000	7,000,000,000
Saigon - Binh Thuan Power Plant Investment and Development JSC	350,000	3,500,000,000	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	30,000	300,000,000	30,000	300,000,000
<b>TOTAL</b>		<b><u>399,500,200,000</u></b>		<b><u>438,500,200,000</u></b>
Provision for devaluation		<u>(22,887,918,150)</u>		<u>(22,887,918,150)</u>
<b>Net Carrying value</b>		<b><u>376,612,281,850</u></b>		<b><u>415,612,281,850</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**16. SHORT-TERM TRADE PAYABLES**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Trade payables	<u>606,881,448,531</u>	<u>152,213,471,055</u>
<b>TOTAL</b>	<b><u>606,881,448,531</u></b>	<b><u>152,213,471,055</u></b>

**17. SHORT-TERM ADVANCES FROM CUSTOMERS**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Advances from customers for purchasing and land use rights for Phuc Ninh, Trang Due, Quang Chau UA	204,401,681,005	401,171,875,242
Advances from customers for leasing land with infrastructure at IP	618,447,794,017	99,049,791,120
Other	<u>55,303,972,259</u>	<u>14,117,880,859</u>
<b>TOTAL</b>	<b><u>878,153,447,281</u></b>	<b><u>514,339,547,221</u></b>

**18. TAX AND STATUTORY OBLIGATIONS**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Value added tax	30,621,438,341	36,346,688,123
Corporate income tax (Note 29.2)	101,028,139,229	103,257,556,096
Personal income tax	992,460,424	437,178,276
Fees, charges and other payables	<u>5,952,390,526</u>	<u>9,260,503,602</u>
<b>TOTAL</b>	<b><u>138,594,428,520</u></b>	<b><u>149,301,926,097</u></b>

## NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at the financial year ended December 31, 2022

**19. SHORT – TERM ACCRUED EXPENSES**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Accrued infrastructure development expenses for recognized revenue	1,308,125,000,992	1,368,298,130,598
Loan interest payables	49,776,424,585	69,348,302,845
Loan interest expenses to related parties (Note 30)	2,555,208,483	6,078,553,422
Other payables	60,923,962,016	83,275,076,050
<b>TOTAL</b>	<b><u>1,421,380,596,076</u></b>	<b><u>1,527,000,062,915</u></b>

**20. OTHER PAYABLES**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Deposits received	1,540,773,947,971	610,615,611,669
Other short-payable payables	2,140,075,045,203	1,928,025,552,290
Payables to other parties	2,528,482,193	95,894,000,000
<b>TOTAL</b>	<b><u>3,683,377,475,367</u></b>	<b><u>2,634,535,163,959</u></b>

**21. LOANS**

Currency: VND

	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Short – term loans		
Other loans	273,880,000,000	105,000,000,000
Current portion of long term loans	3,476,697,866,159	1,161,198,604,852
Short - term loans to related parties (Note 30)	150,300,000,000	248,897,296,043
	<b><u>3,900,877,866,159</u></b>	<b><u>1,515,095,900,895</u></b>
Long - term loans		
Long – term loans from banks(*)	2,762,918,461,824	2,306,204,334,062
Bonds (**)	974,669,592,664	3,233,059,581,397
<b>TOTAL</b>	<b><u>3,737,588,054,488</u></b>	<b><u>5,539,263,915,459</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**21. LOANS (continued)**

**Long - term loans**

(\*) Details of long – term loans from as at December 31, 2022 as follows:

<i>Banks</i>	<i>December 31, 2022 (VND)</i>	<i>Interest rate(per annum)</i>	<i>Principle and interest payment term</i>	<i>Collateral</i>
Vietnam Public Joint Stock Commercial Bank	2,194,700,000,000	11.5	Up to 10 years from the first disbursement in December 2020	All assets related to Trang Cat Project
Tien Phong Commercial Joint Stock Bank	67,754,003,900	11.95	Up to 6 years from the first disbursement (December 2020). The grace period is 12 months from the first disbursement. Interest is paid on 26 every month.	Land using rights and assets formed in the unsold plots under the construction investment project for Trang Due residential areas and commercial services and housing for workers.
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ngo Quyen branch	319,825,177,104	14	Up to 60 months from the first disbursement on December 15, 2022	Factories at Existing Que Vo and Expanded Que Vo IP
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	153,798,464,964	8.9	Principal will be paid every 6 months, interest will be paid every 3 months on the 25th.	All assets attached to land, fomed movables assets (include but not limited machinery, equipments, tools,...), compensation, land clearance, levelling expenses and other expenses that were paid; all rights and interests attached or incurred from project (include but not limited rights to get insurance amount, right to collect debts, the rights and interests,...of the mortgagor) of Nam Son Hap Linh IP, phase 2.
Vietnam Joint Stock Commercial Bank for Industry and Trade - Que Vo branch	26,840,815,856	11.3	Principal will be paid every 6 months, interest will be paid every 3 months on the 25th	All machinery, equipments, tools, movable assets, mean of transportations, and machinery formed in the future to serve clean water treatment company with capacity of 19.000m3 at Nam Son Hap Linh IP, Bac Ninh Province and all profits, receivables from doing bussiness, exploiting land use right and assets,... attached to land or doing bussiness, exploiting, fee managements, development of project on clean water treatment company with the capacity of 19.000m3.
<b>TOTAL</b>	<b><u>2,762,918,461,824</u></b>			

## NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at the financial year ended December 31, 2022

**21. LOANS** (continued)**Long - term loans**

(\*\*) Details on bonds issued by the Group as at December 31, 2022 are as follows:

<i>Bonds</i>	<i>Type of bonds</i>	<i>No. of bonds</i>	<i>Par value</i>	<i>Amount</i>	<i>Interest</i>	<i>Duration</i>	<i>Collateral</i>
KBCH2123001	Corporate bond issued to counterparties	4,000,000	100,000	400,000,000,000	10.5%	22 tháng 02 năm 2023	Shares of its subsidiary
KBCH2123002	Corporate bond issued to counterparties	10,000,000	100,000	1,000,000,000,000	10.5%	03 tháng 6 năm 2023	Shares of the Company and its subsidiary
KBC2021.AB (*)	Corporate bond issued to counterparties	15,000,000	100,000	1,500,000,000,000	10.8%	24 tháng 6 năm 2023	Unsecured
KBCH2124003	Corporate bond issued to counterparties	10,000,000	100,000	1,000,000,000,000	11.4%	11 tháng 11 năm 2024	Shares of its subsidiary and land plot at 84 Hung Vuong, Hai Chau 1 ward, Hai Chau district, Da Nang city
	<i>Bond issuance costs</i>			<u>(42,632,541,177)</u>			
	<b>TOTAL</b>			<b><u>3,857,367,458,823</u></b>			
	<i>In which:</i>						
	<i>Long- tem bonds</i>			1,000,000,000,000			
	<i>Current portion of long term bonds</i>			2,900,000,000,000			

(\*) This is a bond offered to the public, currently listed on the Hanoi Stock Exchange with the bond code KBC121020.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**22. LONG – TERM PAYABLES**

This is mainly loan interest expense to PVcombank.

**23. OTHER SHORT – TERM PAYABLES**

	<i>December 31, 2022</i>	<i>Currency: VND December 31, 2021</i>
Long – term deposit	18,257,188,404	11,455,085,747
	<b><u>18,257,188,404</u></b>	<b><u>11,455,085,747</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**24. OWNER' EQUITY****24.1 Increase or Decrease in owner's equity**

Currency: VND

	<i>Contributed charter capital</i>	<i>Share premium</i>	<i>Treasury share</i>	<i>Development and Investment Fund</i>	<i>Undistributed earnings</i>	<i>Interest of uncontrolled shareholders</i>	<i>Total</i>
<b>Previous year</b>							
As at January 1, 2021	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	4,316,487,151,605	952,574,832,301	10,652,995,127,729
- Increase in capital	1,000,000,000,000	2,408,280,000,000					3,408,280,000,000
- Net profit for the year	-	-	-	-	1,094,882,888,170	256,813,665,660	1,351,696,553,830
- Capital contribution by uncontrolled shareholders	-	-	-	-	-	1,175,000,000,000	1,175,000,000,000
- Dividends	-	-	-	-	-	(18,750,000,000)	(18,750,000,000)
As at December 31, 2021	<u>5,757,111,670,000</u>	<u>3,397,344,430,000</u>	<u>(364,466,650,000)</u>	<u>2,223,693,823</u>	<u>5,411,370,039,775</u>	<u>2,365,638,497,961</u>	<u>16,569,221,681,559</u>
<b>Current year</b>							
As at January 1, 2022	5,757,111,670,000	3,397,344,430,000	(364,466,650,000)	2,223,693,823	5,411,370,039,775	2,365,638,497,961	16,569,221,681,559
- Increase in share capital from owner's equity	1,918,935,920,000	(624,066,780,000)	-	-	(1,294,869,140,000)	-	-
- Net profit for the year	-	-	-	-	1,547,310,918,583	48,362,900,251	1,595,673,818,834
- Selling for treasury share	-	-	364,466,650,000	-	-	-	364,466,650,000
- Change in control ratio on subsidiary	-	-	-	-	-	(450,000,000,000)	(450,000,000,000)
- Dividends	-	-	-	-	-	(184,800,000,000)	(184,800,000,000)
- Loss from selling treasury share	-	(29,748,080,000)	-	-	-	-	(29,748,080,000)
As at December 31, 2022	<u>7,676,047,590,000</u>	<u>2,743,529,570,000</u>	<u>-</u>	<u>2,223,693,823</u>	<u>5,663,811,818,358</u>	<u>1,779,201,398,212</u>	<u>17,864,814,070,393</u>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 24. OWNER' S EQUITY (continued)

### 24.2 Details on investment capital of owner

Currency: VND

	December 31, 2022			December 31, 2021		
	Total	Ordinary Share	Preference shares	Total	Ordinary Share	Preference shares
Contributed by shareholders	7,676,047,590,000	7,676,047,590,000	-	5,757,111,670,000	5,757,111,670,000	-
Share premium	2,743,529,570,000	2,743,529,570,000	-	3,397,344,430,000	3,397,344,430,000	-
Treasury shares	-	-	-	(364,466,650,000)	(364,466,650,000)	-
<b>TOTAL</b>	<b>10,419,577,160,000</b>	<b>10,419,577,160,000</b>	<b>-</b>	<b>8,789,989,450,000</b>	<b>8,789,989,450,000</b>	<b>-</b>

### 24.3 Capital transactions with owner and distribution of dividends, profits

Currency: VND

	Current year	Previous year
<b>Contributed capital</b>		
As at January 1, 2022	5,757,111,670,000	4,757,111,670,000
Increase in the period	1,918,935,920,000	1,000,000,000,000
Decrease in the period	-	-
As at December 31, 2022	<u>7,676,047,590,000</u>	<u>5,757,111,670,000</u>
<b>Dividends, profits paid</b>	-	-

### 24.4 Ordinary shares

	December 31, 2022		December 31, 2021	
	Number of Shares	Value in VND	Number of Shares	Value in VND
<b>Number of registered shares</b>	<b>767,604,759</b>	<b>7,676,047,590,000</b>	<b>575,711,167</b>	<b>5,757,111,670,000</b>
<b>Number of shares sold to the public</b>	<b>767,604,759</b>	<b>7,676,047,590,000</b>	<b>575,711,167</b>	<b>5,757,111,670,000</b>
Common shares	767,604,759	7,676,047,590,000	575,711,167	5,757,111,670,000
Preferred shares	-	-	-	-
<b>Treasury shares</b>	<b>-</b>	<b>-</b>	<b>5,950,978</b>	<b>59,509,780,000</b>
Common shares	-	-	5,950,978	59,509,780,000
Preferred shares	-	-	-	-
<b>Shares in circulation</b>	<b>767,604,759</b>	<b>7,676,047,590,000</b>	<b>569,760,189</b>	<b>5,697,601,890,000</b>
Common shares	767,604,759	7,676,047,590,000	569,760,189	5,697,601,890,000
Preferred shares	-	-	-	-

Par value of outstanding share: 10,000 VND par share (2021: 10,000 VND par share).

## NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at the financial year ended December 31, 2022

**25. REVENUE****25.1 Revenue from sales of goods and rendering services**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross Revenue</b>	<b>1,404,547,008,087</b>	<b>4,245,981,967,388</b>
<i>In which</i>		
<i>Revenue from long-term lease of land and infrastructure</i>	<i>664,856,318,589</i>	<i>3,035,928,242,451</i>
<i>Revenue from real estate transfer</i>	<i>353,332,703,833</i>	<i>514,582,486,144</i>
<i>Revenue from selling factories</i>	<i>-</i>	<i>310,596,654,520</i>
<i>Revenue from providing clean water, electricity, service fee, waste water treatment</i>	<i>336,171,616,119</i>	<i>304,994,501,884</i>
<i>Revenue from operating leases of warehouses, factories and offices</i>	<i>50,186,369,546</i>	<i>79,880,082,389</i>
<b>The deduction from revenue</b>	<b><u>(447,210,000,000)</u></b>	<b><u>-</u></b>
<b>Net revenue</b>	<b><u>957,337,008,087</u></b>	<b><u>4,245,981,967,388</u></b>

**25.2 Finance income**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income from deposits, lending	333,902,140,087	169,372,670,861
Interest from receivables	3,874,825,741	171,954,697
Othe finance income	2,111,280	-
<b>TOTAL</b>	<b><u>337,779,077,108</u></b>	<b><u>169,544,625,558</u></b>

**26. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of long term leases of land and infrastructure	352,483,868,849	1,076,154,449,123
Cost of real estate transfer	149,469,776,303	370,879,707,880
Cost of factory sold	-	139,912,458,875
Cost of providing clean water, electricity, service fee, waste water treatment	163,862,374,891	154,410,095,743
Cost of operationg leases of warehouses, factories and offices	23,505,430,753	37,609,249,605
<b>TOTAL</b>	<b><u>689,321,450,796</u></b>	<b><u>1,778,965,961,226</u></b>

**27. FINANCE EXPENSES**

	<i>Currency: VND</i>	
	<i>Curent year</i>	<i>Previous year</i>
Interest expenses	522,563,603,153	480,600,549,118
Bond issuance costs	57,211,221,363	55,338,571,758
Provision/(Reversal of provision) for investments	3,917,871,350	(2,937,585,570)
Other finance expenses	8,269,984,044	8,390,687,199
<b>TOTAL</b>	<b><u>591,962,679,910</u></b>	<b><u>541,392,222,505</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 28. GENERAL AND ADMINISTRATIVE EXPENSES AND SELLINGS EXPENSES

Currency: VND

	Current year	Previous year
Selling cost in the period		
Legal consultation and brokerage expenses	38,795,140,257	172,475,781,597
Sale staff expense	4,549,245,000	3,251,383,000
Other	2,570,423,660	14,188,687,277
<b>TOTAL</b>	<b><u>45,914,808,917</u></b>	<b><u>189,915,851,874</u></b>
General and administrative occurring in the period		
Operating and management staff costs	154,829,820,192	135,221,477,065
Expense from external service	104,582,736,702	67,539,666,483
Cost for fixed asset depreciation	19,586,806,984	15,316,566,781
Other	179,744,553,211	210,479,855,114
<b>TOTAL</b>	<b><u>458,743,917,089</u></b>	<b><u>428,557,565,443</u></b>

## 29. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Group is 20% of profit after tax except for the followings:

- ▶ For land leasing activities in Existing Que Vo IP, the Company is obliged to pay CIT at the rate 10% for 15 years from the date of commencement of bussiness and at 20% for the following years. The Company was exempt from CIT for 4 years from 2005 to 2008 and was entitled to 50% reduction of payable tax for the next 9 years to 2017. CIT rate for financial year ended December 31, 2022 is 20%.
- ▶ For land leasing activities in Expanded Que Vo IP, the Company is obliged to pay CIT at the rate of 10% fro 15 years from the date of commencement of operation, production and bussiness and at 20% for the following years. The Compnay was exempt from CIT for 3 years from 2008 to 2010, and was entitled to 50% for the next 7 years from 2011 to 2017. CIT rate for financial year ended December 31, 2022 is 20%.
- ▶ For land leasing activities in Quang Chau Industrial Park, Saigon - Bac Giang Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation, production and business and at 20% for the following years. The Compnay was exempt CIT for 4 years from 2008 to 2011, and was entitled 50% for the next 7 years. CIT rate for financial year ended December 31, 2022 is 20%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 1, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement, put into production and business and equal 20% for the following years. The company is exempt from CIT for 4 years from 2009 to 2012 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for this year is 10%.
- ▶ For land leasing activities in Trang Due Industrial Park - phase 2, Saigon - Hai Phong Industrial Park Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement, enter into production and business activities. The company is exempt from CIT for 4 years from 2015 to 2018 and is entitled to a 50% reduction of payable tax for the next 9 years to 2027. The tax rate for this year is 10% and exempted 50%.
- ▶ For land leasing activities in Tan Phu Trung Industrial Park, Saigon - Northwest Urban Development Joint Stock Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of operation, production and business activities (2007)

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 29. CORPORATE INCOME TAX (continued)

and equal to 20% for the following years. The company was exempt from CIT for 4 years from 2007 to 2010. The tax rate for financial year ended December 31, 2022 is 10%.

- ▶ For land leasing activities in Trang Cat Urban Area and Services, Trang Cat Urban Development One Member Limited Liability Company is obliged to pay CIT at the rate of 10% for 15 years from the date of commencement of business, in production and business activities and equal to 20% for the following years. The company is exempt from CIT for 4 years from 2012 to 2015 and is entitled to a 50% reduction of payable tax for the next 9 years. The tax rate for this year is 10% and exempted 50%

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities

### 29.1 CIT expenses

*Currency: VND*

	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	150,106,350,738	252,330,651,691
Deferred CIT (income)/expenses	<u>(26,907,626,899)</u>	<u>157,737,836,082</u>
<b>TOTAL</b>	<b><u>123,198,723,839</u></b>	<b><u>410,068,487,773</u></b>

### 29.2 Current CIT

The current CIT payable is based on taxable income for the current period. The taxable income of the Company and its subsidiaries for the period differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**29. CORPORAT INCOME TAX (continued)**

**29.2 Current CIT (continued)**

Below are comparison between net profit before tax and taxable income:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Net profit before tax</b>	<b>1,718,872,542,673</b>	<b>1,761,765,041,603</b>
<b>Adjustments to increase/(decrease) accounting profit</b>		
<b>Adjustment to increase</b>		
Expenses that are not deductible	251,950,268,847	62,012,415,494
Adjustments for unrealized profit in investments	143,328,109,588	25,869,587,840
Reversal of provision of associates	-	319,050,236,964
Taxable income for leasing activities from previous year that is taxable in this year.	58,255,298,822	73,654,235,205
Allocation of the difference in re-valuation of assets	90,170,142,099	123,100,239,327
<b>Adjustment to decrease</b>		
Taxable income for leasing activities from this year that transfer to next years	-	(1,168,924,793,805)
Provision for associates	(100,113,080,175)	-
Interest from associates	(2,199,240,848,713)	(411,668,846,572)
<b>Adjusted profit before deducting loss from previous year</b>	<b>(36,777,566,859)</b>	<b>784,858,116,056</b>
<i>In which:</i>		
Profit before tax of parent company	(539,103,273,816)	211,136,843,264
Loss before tax of parent company (Hochiminh brand)	(2,553,619,357)	(262,126,619)
Profit before tax of its subsidiaries	790,808,916,478	511,449,280,820
Loss of its subsidiaries	(344,184,888,986)	(11,926,992,678)
Taxable income for land lease activities from previous years	58,255,298,822	74,461,111,269
<b>Estimated taxable income for current year</b>	<b>(36,777,566,859)</b>	<b>784,858,116,056</b>
<b>Estimated CIT payable for current year</b>	<b>150,106,350,739</b>	<b>252,330,651,691</b>
CIT payable at the beginning of the year	80,581,264,428	172,866,673,533
Adjust to withholding tax	(4,325,465,424)	-
CIT paid for the year	(171,441,693,739)	(321,939,769,128)
<b>CIT payable at the end of the year</b>	<b>54,920,456,004</b>	<b>103,257,556,096</b>
<i>In which:</i>		
CIT payables (Note 18)	101,028,139,229	103,257,556,096
Prepaid CIT (Note 10)	(46,107,683,225)	-

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**29. CORPORATE INCOME TAX (continued)**

**29.3 Deferred CIT**

The Group has recognized the deferred tax assets and deferred tax payables, and the movement thereon, during the current and previous year:

Currency: VND

	<u>Consolidated balance sheet</u>		<u>Consolidated income statement</u>	
	<i>December 31, 2022</i>	<i>December 31, 20211</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>	-	-	-	-
<b>Deferred tax payables</b>				
Deferred tax payables arising from fair value adjustment on acquisition date at Northwest Saigon City Development Corporation	109,118,070,000	124,672,419,511	(15,554,349,512)	(24,842,504,165)
Deferred tax payables arising from fair value adjustment on acquisition date at Sai Gon - Hai Phong Industrial Park Corporation	457,334,950	457,334,950	-	-
Deferred tax payables arising from allocation of CIT over the the time				
	<u>797,992,981,027</u>	<u>809,346,258,415</u>	<u>(11,353,277,387)</u>	<u>181,137,584,216</u>
	<b><u>907,568,385,977</u></b>	<b><u>934,476,012,876</u></b>		
<b>Net deffered tax credit to the consolidated income statement</b>			<b><u>(26,907,626,899)</u></b>	<b><u>156,295,080,051</u></b>

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**29. CORPORATE INCOME TAX** (continued)

**29.4 Unrecognised deferred tax assets** (continued)

***Tax losses carried forward***

The Group is entitled to carry each individual tax loss forward to offset against the taxable income arising within 5 subsequent years to the year in which the loss was incurred. At the consolidated balance sheet date, the Group had aggregated accumulated tax losses with the amount of 676.988.118.782 VND (December 31, 2021: 41.848.055.666 VND) available for offset against future taxable. Details are as follows:

The Group has not recognized deferred tax assets for the accumulated tax losses as there is unable to predict profit in the future at this time.

**30. TRANSACTIONS WITH RELATED PARTIES**

List of related parties which had transactions and/or receivable/payable balances during the year with the Group:

<i>No.</i>	<i>Related party</i>	<i>Relationship</i>
1	Saigon Telecommunications Technology JSC	Affiliate company
2	Le Minh Xuan 2 Industrial Park Investment JSC	Affiliate company
3	Saigontel Long An Co., Ltd	Affiliate company
4	Saigon – Nhonhoi Industrial Park JSC	Affiliate company
5	Saigon-Da Nang Investment JSC	Associate company
6	Saigon Hi-tech Park Infrastructure	Common key management member
7	Saigon – Lam Dong Investment and Tourist Corporation	Common key management member
8	Mr. Dang Thanh Tam	Chairman
9	Ms. Nguyen Thi Thu Huong	General Director
10	Mr. Phan Anh Dung	Deputy General Director
11	Ms. Nguyen My Ngoc	Deputy General Director

***Terms and conditions of transactions with related parties***

The sales, purchases of goods to/from related parties are made on contractual basis.

The balance of accounts receivable, payable, borrowing and lending as of December 31, 2022 are unsecured and will be settled in cash. For the year ended December 31, 2022, the Group has not made any provision for bad debts relating to amounts owed to the Group by related parties. This assessment is made for each year through an examination of the financial position of the related party and the markets in which the related party operates.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Details below are the receivables to related parties as at December 31, 2022:

Currency: VND

<i>Related parties</i>	<i>Description</i>	<i>Amount</i>
<b>Short – term loan receivables (Note 7)</b>		
Saigon Telecommunication&Technology Corporation	Short-term loan	490,148,109,224
Saigon – Danang Investment JSC	Short-term loan	197,521,929,895
Le Minh Xuan 2 Industrial Park Investment JSC	Short-term loan	1,700,000,000
Saigon – Nhonhoi Industrial Park JSC	Short-term loan	120,000,000,000
Saigon – Lam Dong Investment and Tourist Coporation	Short-term loan	20,636,189,803
Saigon – Longan Co., Ltd	Short-term loan	121,042,660,000
		<b><u>951,048,888,922</u></b>
<b>Long – term loan receivables (Note 7)</b>		
Saigon Telecommunication & Technologies Corporation	Long-term loan	124,723,703,957
		<b><u>124,723,703,957</u></b>
<b>Other short-term receivables (Note 8)</b>		
Ms. Nguyen Thi Thu Huong	Advance	3,489,211,820
Ms. Nguyen My Ngoc	Advance	309,777,000
Mr. Phan Anh Dung	Advance	110,000,000
Mr. Dang Thanh Tam	Other receivables	2,100,000,000
Saigon-Danang Investment JSC	Loan interest receivables	12,558,179,532
Saigontel Long An Co., Ltd	Loan interest receivables	5,389,515,950
Saigon – Nhon Hoi Industrial Park JSC	Bussiness cooperation receivables	584,000,000,000
	Loan interest receivables	9,247,488,581
Saigon – Lam Dong Investment and Torism JSC	Loan interest receivables	2,524,946,686
Le Minh Xuan 2 Industrial Park Investment JSC	Loan interest receivables	183,972,602
Saigon Telecommunication&Technologies Corporation	Bussiness cooperation receivables	40,000,000,000
Saigon Telecommunication&Technologies Corporation	Loan interest receivables	74,539,006,072
		<b><u>734,452,098,243</u></b>
<b>Other long – term receivables (Note 8)</b>		
Saigon Telecommunication&Technologies Corporation	Loan interest receivables	8,572,342,521
Saigon – Lam Dong Investment and Torism JSC	Loan interest receivables	9,234,246,576
		<b><u>17,806,589,097</u></b>
<b>Short – term payables (Note 19)</b>		
Saigontel Long An Co., Ltd	Loan interest	2,037,328,761
Saigon Hi-tech park Infrastructure Development and Investment JSC	Loan interest	517,879,722
		<b><u>2,555,208,483</u></b>



NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## 32. COMMITMENTS AND CONTINGENT LIABILITIES

### 32.1 Commitments related to real estate investments

*Commitments related to obligations to the State:*

- (i) According to Decision No. 1526/QĐ-CT dated 17 December 2003 and Decision No. 971/QĐ-UBND dated 15 July 2009 of the People's Committee of Bac Ninh Province on the allocation of land to the Company for project implementation to build Phuc Ninh new urban area, Bac Ninh town, Bac Ninh province. The company must pay land use levy, fees and charges as prescribed by law for the residential land plots, commercial land and public works assigned to use for the purpose of building Phuc Ninh New Urban Area. according to planning. Accordingly, the Company handed over 49.53 hectares in 2010, completed marking the land area of 47.2 hectares in 2013 with the People's Committee of Bac Ninh province and paid the amount of 175,735,431,000 VND for the use fee land according to Decision 2229/QĐ-CT of the People's Committee of Bac Ninh province dated 23 December 2004 approving the land use levy collection price (phase 1) and the notices on assignment of land use levy payment quotas of the Bac Ninh Province Tax Department. At the date of these consolidated financial statements, the Company is still in the process of working with the People's Committee of Bac Ninh province for the remaining land area of the project.
- (ii) From 2003 to 2014, the Company signed a number of land rental contracts with Bac Ninh Provincial People's Committee for the land area at Existing Que Vo Industrial Park and Expanded Que Vo Industrial Park, which is 2,268,388.8 m<sup>2</sup> and 2,234,012.9 m<sup>2</sup>, respectively. According to the Official Letter No. 323/BTC-QLCS dated 12 January 2015 by the Ministry of Finance, the investment project on construction and operation of infrastructure of Que Vo Industrial Park is entitled to land rental exemption in 11 years from the date of project completion and put into operations. As at December 31, 2022, the Company is in process of working with the People's Committee of Bac Ninh province for the land area that were handed over in accordance with Land Law No. 45/2013/QH2013 dated July 1, 2014 issued by National Assembly, and Circular No 135/2016/ND-CP issued by the Government dated September 9, 2016, be effective from November 15, 2016 and regulations related to collect fees in use and lease land.
- (iii) On June 10, 2015, the Company signed a land lease contract to People's Committee of Bac Ninh province for 766,858.9 m<sup>2</sup> land that was handed over at Nam Son Hap Linh IP. As at December 31, 2022, the Company is still in process of working with the authorities to determined land fees payables of the Company.
- (iv) On March 20, 2013, the Department of Finance of Hochiminh City sent a notice to Nowest Saigon City Development Corporation ("SCD") on increasing land rental rate at Tan Phu Trung IP to 5.940 VND per squaremeter for the year of 2011 and 2012. However, Decision No 2093/QĐ-BTC dated November 23, 2011 and Circular No 16/2013/TT-BTC on removal of difficulties for enterprises, land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, the land rental rate from 2011 to 2014 was at 500 VND per square meter, equivalent to two times of 2010 land rental fee which was approved by Ho Chi Minh City People's Committee under the land lease contract No. 2516/HD-TNMT-QHSDD on 5 April 2007. At the same time, SCD sent the documentation on request to decrease land rental lease not exceed two times of the applicable for 2010. As at December 31, 2022, SCD is still in process of working with the People's Committee of Hochiminh City for above mentioned land area.
- (v) From 2011 to 2014, Saigon – Hai Phong Industrial Park Corporation ("SHP") signed land lease agreements with the People's Committee of Haiphong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m<sup>2</sup>. Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m<sup>2</sup> land area), contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m<sup>2</sup> land area) and contract No.13/HĐTD dated 17 February 2014 (for 93,303.7 m<sup>2</sup> land area). On 12 December 2014, the General Department of Taxation of Haiphong City issued Decision No. 4274/QĐ-CT on land rental exemption for Saigon-Hai Phong Industrial Park

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

## **32. COMMITMENTS AND CONTINGENT LIABILITIES**

### **32.1 Commitments related to real estate investments**

Corporation. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the Land Lease Contracts No. 04, No.13 and No.179. However, in the Investment Registration Certification No. 02221000009 issued by Haiphong Economic Zone Management Board, dated November 29, 2013, SHP was exempt from land rent with the handed over above land. Thus, SHP is in process of working with related parties to clarify the differences between above documentations.

- (vi) From 2008 to 2010, Saigon - Bac Giang Industrial Park Corporation ("SBG") signed land lease agreements with the People's Committee of Bac Giang Province for a total land area of 3,900,015.2 m<sup>2</sup> at Quang Chau Industrial Park. As at December 31, 2022, SBG is still in process of working with authorities to clarify lease land obligations payable. According to the 2nd Investment Certificate dated 12 September 2014, Quang Chau Industrial Park is entitled to land rental fee exemption for 6 years during the development of the Industrial Park và the next 11 years from the completion date of the project and put into operations under document No 5403/BTC-QLNS dated April 23, 2015, issued by Department of Agriculture and Fisheries.

### **32.2 Collateral and guarantees**

Potential debts of the Group related to collateral and guarantees as at December 31, 2022 are as follows:

#### *Collateral under Pledge Agreement with PVCombank*

As at December 30, 2020, the Company and Trang Cat LLC, which is its subsidiary and Vietnam Public Joint Stock Commercial Bank signed agreement on on debt structuring, funding and debt repayment No. 3012/2020/BBTT/PVB-KB-TCC ("Debt Structuring Agreement"). Accordingly, the Company and Trang Cat LLC have agreed to use Trang Cat project to secure for the loans and debts of a group of companies and individuals (including Kinh Bac City Development, a subsidiary of the Company and other companies/individuals) with Pvcombank..

#### *Dispute with VTC Wireless Telecommunications Corporation*

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19.2%. The Company has then transferred VND 30,700,200,000 (19.2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation. However, the Company has alleged that VTC has not completed the purchase of assets for VTC - Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recover this investment. The Group's management has assessed that this investment will be recovered from VTC; and therefore, no provision has been made for the investment in VTC - Saigontel Media Company.

## **33. EVENTS AFTER THE BALANCE SHEET DATE**

There is no other matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements for quarter 4 of the Group.

NOTE FOR CONSOLIDATED FINANCIAL STATEMENTS (continued)  
As at the financial year ended December 31, 2022

**34. EXPLANATION ON CONSOLIDATED BUSSINESS RESULTS FOR QUARTER 4/2022.**

Consolidated loss for quarter 4/2022 is 539,7 billion VND, decrease in 1,158 billion VND, compared to quarter 4/2021 that its profit was 618,6 billion VND. The principal reason is that in this period, the Company regcoginized a decrease in revenue from industrial park activities, compared to same period from previous year.

Signed

Signed

Signed and Stamped

\_\_\_\_\_  
Luu Phuong Mai  
Preparer

\_\_\_\_\_  
Pham Phuc Hieu  
Deputy General Director  
cum Chief Accountant

\_\_\_\_\_  
Nguyen Thi Thu Huong  
General Director

January 30, 2023