

PHUC HUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY
AUDITED FINANCIAL STATEMENTS
For the year ended 31/12/2021

Hanoi, March 2022

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PHUC HUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY

1st Floor, Tower A, Building CT2 (The Light), To Huu Street, Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of Phuc Hung Holdings Construction Joint Stock Company presents this report together with the Company's audited financial statements for the year ended 31st December 2021.

THE COMPANY

Phuc Hung Holdings Construction Joint Stock Company (hereinafter referred to as the "the Company") Formerly known as Phuc Hung Constrexim Import-Export Construction Investment Joint Stock Company, was established under the Certificate of Business Registration No. 0103001141 issued by the Hanoi Department of Planning and Investment for the first time on 24 June, 2002.

Phuc Hung Constrexim Import-Export Construction Investment Joint Stock Company formerly known as Phuc Hung Construction Co., Ltd was established under the Certificate of Business Registration 0102002911 issued by the Hanoi Department of Planning and Investment for the first time on 04 July, 2001. Certificate of registration of a Joint Stock Company No.0101311315 issued by the Hanoi Department of Planning and Investment on 25 October 2010, and changed for the 15th time on 29/12/2021.

The Company's Charter capital under the Certificate of Business Registration No. 0101311315 changed for the 15th time on 29/12/2021 is 506,819,270,000 VND (*Five hundred and six billion eight hundred nineteen million two hundred and seventy thousand Dong*).

The Company's stock is currently listed on the HOSE with stock code: PHC.

The Company's registered office Address: 1st Floor, Tower A, Building CT2 (The Light), To Huu Street, Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam.

BOARDS OF MANAGEMENT, SUPERVISORS AND GENERAL DIRECTORS

Members of Boards of Management, Supervisors and General Directors who held the Company during the year and at the date of this report are as follows:

BOARD OF MANAGEMENT

Mr. Cao Tung Lam	Chairman
Mr. Tran Hong Phuc	Member (Appointed on 22/4/2021)
Mr. Nguyen Duc Thang	Member
Mr. Tran Huy Tuong	Member
Mr. Do Nguyen An	Member
Mr. Nguyen Cong Khanh	Member
Mr. Nguyen Ngoc Diep	Member (Appointed on 22/4/2021)

BOARD OF SUPERVISORS

Mr. Nguyen Nhu Phi	Head of Board (Appointed on 22/4/2021)
Mrs. Nguyen Thi Lan	Head of Board (Disappointed on 22/4/2021)
Mr. Nguyen Nhu Phi	Member (To 21/4/2021)
Mr. Cao Xuan Dung	Member (Appointed on 22/4/2021)
Mrs. Pham Thi Thanh Tuyen	Member

EXECUTIVE BOARD

Mr. Tran Hong Phuc	General Director
Mr. Tran Thang Loi	Deputy General Director
Mr. Le Quoc Tuan	Deputy General Director
Mr. Nguyen Hoang Anh	Deputy General Director (Appointed on 10/7/2021)

STATEMENT OF THE EXECUTIVE BOARD (CONTINUED)

SUBSEQUENT EVENTS

According to the Executive Board, in all material respects, there have been no other significant events occurring after the Balance sheet date, affecting the financial position and operation of the Company which would require adjustments to or disclosures to be made in the financial statements.

AUDITORS

The Company's financial statements for the year ended 31st December 2021 have been audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT.

THE EXECUTIVE BOARD' RESPONSIBILITY

The Company's Executive Board is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31/12/2021 as well as of its income and cash flows statements for the year then ended, complying with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant regulations in preparation and disclosure of financial statements. In preparing these financial statements, the Executive Board is required to:

- Select appropriate accounting policies and apply them consistently
- Make judgments and estimates prudently;
- State clearly whether the Accounting Standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- Design and effectively implement the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.
- Prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.

The Executive Board is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the financial statements. The Executive Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Executive Board confirms that the Company has complied with the above requirements in preparing the financial statements.

For and on behalf of the Executive Board,



CHỦ TỊCH HĐQT
CAO TÙNG LÂM

Cao Tung Lam
Chairman

Hanoi, March 24, 2022

Head Office in Hanoi:

8th floor, VG Building, No. 235 Nguyen Trai Str.,
Thanh Xuan Dist., Hanoi, Vietnam

+84 (24) 3 783 2121 info@cpavietnam.vn
+84 (24) 3 783 2122 www.cpavietnam.vn

No: 149 /2022/BCKT-CPA VIETNAM-NV2

INDEPENDENT AUDITORS' REPORT

To: Shareholders
Boards of Management, Supervisors and General Directors
Phuc Hung Holdings Construction Joint Stock Company

We have audited the accompanying financial statements of Phuc Hung Holdings Construction Joint Stock Company, as prepared on 24 March 2022, set out on page 06 to page 39, including the Balance sheet as at 31/12/2021, and the Income Statement, and Cash flows Statement for the year then ended, and Notes to the financial statements.

Responsibility of the Executive Board

The Company's Executive Board is responsible for the true and fair preparation and presentation of these financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for the internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These Standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Company's separate financial statements are there any significant errors or not.

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

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

Opinion of Auditors

In our opinion, the accompanying financial statements gives a true and fair view of, in all material respects, the financial position of the Company as at 31st December 2021 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements in Vietnam.



Bùi Thị Thủy**Deputy General Director**Audit Practising Registration Certificate:
0580-2018-137-1*Authorised: 21/2022/UQ-CPA VIETNAM dated 03/01/2022 of Chairman, General Director*

For and on behalf of

CPA VIETNAM AUDITING COMPANY LIMITED**A member firm of INPACT***Hanoi, March 24, 2022*

Vu Xuan Hung**Auditor**Certificate of registration of auditing practice:
4015-2022-137-1

BALANCE SHEET
As at 31st December, 2021

ASSETS	Code	Note	31/12/2021 VND	01/01/2021 VND
A - CURRENT ASSETS (100=110+120+130+140+150)	100		1,889,928,988,888	1,709,772,676,136
I. Cash and cash equivalents	110	5.1	53,652,380,029	64,144,739,294
1. Cash	111		53,652,380,029	64,144,739,294
II. Short-term financial investments	120		1,827,171,376	701,453,217
3. Held-to-maturity investments	123	5.2	1,827,171,376	701,453,217
III. Short-term receivables	130		1,241,141,267,222	1,195,871,190,760
1. Receivables from customers	131	5.3	867,964,077,009	912,102,955,191
2. Advances to Suppliers	132	5.4	128,750,377,500	74,561,581,944
6. Other short-term receivables	136	5.5	250,629,708,249	215,109,549,161
7. Provision for doubtful debts	137	5.6	(6,202,895,536)	(5,902,895,536)
IV. Inventories	140	5.7	578,455,777,370	439,134,564,040
1. Inventories	141		578,455,777,370	439,134,564,040
V. Other current assets	150		14,852,392,891	9,920,728,825
1. Short-term prepaid expenses	151	5.8	266,926,994	3,720,982,773
2. Value added tax is deducted	152		14,582,710,897	369,723,542
3. Tax and amount receivables from State budget	153	5.16	2,755,000	5,830,022,510
B - NON-CURRENT ASSETS (200=210+220+240+250+260)	200		336,824,464,729	174,178,632,074
II. Fixed assets	220		42,504,826,504	38,591,672,380
1. Tangible fixed assets	221	5.9	42,353,067,375	38,356,341,383
- Historical Cost	222		76,626,030,898	67,546,915,163
- Accumulated depreciation	223		(34,272,963,523)	(29,190,573,780)
3. Intangible fixed assets	227	5.10	151,759,129	235,330,997
- Historical Cost	228		841,705,600	841,705,600
- Accumulated amortization	229		(689,946,471)	(606,374,603)
III. Investment real estate	230	5.11	73,523,003,826	10,929,120,548
1. Historical Cost	231		77,144,485,883	12,797,093,664
2. Accumulated amortization	232		(3,621,482,057)	(1,867,973,116)
IV. Long-term Construction in progress	240		1,457,789,091	1,457,789,091
2. Construction in progress	242	5.12	1,457,789,091	1,457,789,091
V. Long-term financial investments	250		217,484,622,000	114,424,622,000
1. Investment in subsidiaries	251	5.13	93,960,000,000	28,700,000,000
2. Investment in the associated and joint-venture companies	252	5.13	108,599,980,000	65,799,980,000
3. Other long-term investments	253	5.13	24,642,000	24,642,000
5. Held to maturity investments	255	5.2	14,900,000,000	19,900,000,000
VI. Other Long-term assets	260		1,854,223,308	8,775,428,055
1. Long-term prepaid expenses	261	5.8	1,854,223,308	8,775,428,055
TOTAL ASSETS (270 = 100+200)	270		2,226,753,453,617	1,883,951,308,210

BALANCE SHEET (CONTINUED)
 As at 31st December, 2021

RESOURCES	Code	Note	31/12/2021 VND	01/01/2021 VND
C- LIABILITIES (300=310+330)	300		1,564,704,872,903	1,526,512,249,043
I. Current liabilities	310		1,564,704,872,903	1,505,364,708,997
1. Trade account payables	311	5.14	461,393,948,542	401,700,963,842
2. Advances from customers	312	5.15	278,987,978,136	84,312,726,289
3. Taxes and other payables to State budget	313	5.16	2,314,435,590	852,034,552
4. Payables to employees	314		8,697,620,386	4,658,007,485
5. Short-term accrued expenses	315		-	350,833,898
9. Other short-term payables	319	5.17	33,850,016,804	34,033,101,737
10. Short-term loans and liabilities	320	5.18	777,744,468,481	977,227,544,043
11. Provision short term payaples	321		1,313,704,964	1,830,097,151
12. Bonus and welfare funds	322		402,700,000	399,400,000
II. Long-term liabilities	330		-	21,147,540,046
8. Long-term borrowings and finance leasing liabilities	338	5.18	-	21,147,540,046
D- OWNERS' EQUITY (400 = 410+430)	400		662,048,580,714	357,439,059,167
I- Owners' equity	410	5.19	662,048,580,714	357,439,059,167
1. Paid in capital	411		506,819,270,000	257,482,600,000
- Common share with voting right	411a		506,819,270,000	257,482,600,000
2. Share premium	412		67,567,846,314	37,791,048,633
7. Development funds	418		13,000,000,000	13,000,000,000
10. Retained earnings	421		74,661,464,400	49,165,410,534
- Retained earnings of previous period	421a		28,570,040,534	48,075,803,829
- Retained earnings of this period	421b		46,091,423,866	1,089,606,705
TOTAL RESOURCES (440 = 300+400)	440		2,226,753,453,617	1,883,951,308,210

Hanoi, March 24, 2022

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Chairman



Cao Tung Lam

INCOME STATEMENT
 For the year ended 31 December 2021

ITEMS	Code	Note	In 2021	In 2020
			VND	VND
1. Gross sales of goods and services	01	6.1	971,567,210,849	1,353,276,629,548
2. Less deductions	02	6.1	-	-
3. Net sales of goods and services (10 = 01-02)	10	6.1	971,567,210,849	1,353,276,629,548
4. Cost of goods sold	11	6.2	892,651,939,672	1,255,130,231,234
5. Gross profit from sales of goods and services (20 = 10-11)	20		78,915,271,177	98,146,398,314
6. Financial income	21	6.3	61,893,341,085	28,868,107,344
7. Financial expenses	22	6.4	44,658,495,074	70,151,781,811
<i>In which: Interest expenses</i>	23		43,828,608,917	46,607,197,024
8. Selling expenses	25	6.5	946,272,634	596,798,835
9. General and administration expenses	26	6.5	35,469,498,096	54,979,230,578
10. Operating profit	30		59,734,346,458	1,286,694,434
11. Other income	31	6.6	3,353,875,571	10,351,460,452
12. Other expenses	32	6.6	3,378,016,181	10,548,548,181
13. Profit from other activities (40 = 31-32)	40	6.6	(24,140,610)	(197,087,729)
14. Accounting profit before tax (50 = 30+40+45)	50		59,710,205,848	1,089,606,705
15. Current corporate income tax	51	6.7	13,618,781,982	-
16. Deferred corporate income tax	52		-	-
17. Profit after tax (60 = 50-51-52)	60		46,091,423,866	1,089,606,705

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Hanoi, March 24, 2022

Chairman



Cao Tung Lam

CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2021

ITEMS	Code	Note	In 2021	In 2020
			VND	VND
I. Cash flows from operating activities				
1. Profit before tax	01		59,710,205,848	1,089,606,705
2. Adjustments for				
- Depreciation and amortization	02		7,254,459,836	6,286,084,525
- Provisions	03		(216,392,187)	836,371,455
- Gain, loss from investment activities	05		(23,984,813,215)	(9,745,345,103)
- Interest expenses	06		43,828,608,917	46,607,197,024
- Others	07		-	709,294,426
3. Operating profit before movements in working capital	08		86,592,069,199	45,783,209,032
- (Increase) decrease receivables	09		(140,428,867,820)	140,245,591,947
- (Increase) decrease inventories	10		(139,321,213,330)	125,307,806,433
- Increase (decrease) accounts payable	11		257,588,946,035	(173,254,399,561)
- (Increase) decrease prepaid expenses	12		3,119,506,063	11,449,243,910
- Interest paid	14		(43,828,608,917)	(46,607,197,024)
- Corporate income tax paid	15		(6,155,874,898)	(3,240,505,661)
- Other cash inflows	16		3,300,000	-
- Other cash outflows	17		-	(1,815,000,000)
Net cash from operating activities	20		17,569,256,332	97,868,749,076
II. Cash flows from investing activities				
1. Payments for acquisition, construction of fixed assets and other long-term assets	21		(67,749,414,037)	(2,102,374,189)
2. Proceeds from disposal or sale of fixed assets and other long-term assets	22		1,318,181,818	3,130,523,128
3. Payment for lending, purchasing debt instruments of other entities	23		(1,100,000,000)	-
4. Recovery of loans, reselling debt instruments of other entities	24		5,000,000,000	12,570,000,000
5. Investments in other entities	25		(118,457,229,613)	(6,500,000,000)
6. Proceed from investment into other entities	26		86,714,000,000	100,206,000,000
7. Interest income, dividends received	27		28,490,112,212	2,606,558,645
Net cashflow from investing activities	30		(65,784,349,620)	109,910,707,584
III. Cash flows from financing activities				
1. Proceeds from the issuance of shares and receipt owners' contributed capital	31		258,518,097,681	1,036,863,859,966
2. Payment to pay capital contributions to owners, repurchasing shares of issued businesses	32		-	(1,182,567,316,335)
3. Proceeds from borrowings	33		1,428,083,626,150	-
4. Payment to settle debts			(1,648,714,241,758)	(25,676,129,275)
6. Dividends and profits paid to the owner	36		(164,748,050)	-
Net cashflow from financing activities	40		37,722,734,023	(171,379,585,644)
Net cashflow during the period (50 = 20+30+40)	50		(10,492,359,265)	36,399,871,016
Cash and cash equivalents at beginning of year	60		64,144,739,294	27,744,868,278
Cash and cash equivalents at end of year (70 = 50+60+61)	70	5.1	53,652,380,029	64,144,739,294

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Chairman

Hanoi, March 24, 2022



Cao Tung Lam

NOTES TO THE FINANCIAL STATEMENT

For the year ended 31 December 2021

1. COMPANY INFORMATION**1.1 Form of equity ownership**

Phuc Hung Holdings Construction Joint Stock Company formerly known as Phuc Hung Constrexim Import-Export Construction Investment Joint Stock Company, was established under the Certificate of Business Registration No. 0103001141 issued by the Hanoi Department of Planning and Investment for the first time on 24 June, 2002.

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The Company's Charter capital under the Certificate of Business Registration No. 0101311315 changed for the 15th time on 29/12/2021 is 506,819,270,000 VND (*Five hundred and six billion, eight hundred nineteen million, two hundred seventy thousand Dong*).

The Company's stock is currently listed on the HOSE with stock code: PHC.

The Company's registered office Address: 1st Floor, Tower A, Building CT2 (The Light), To Huu Street, Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam.

The total number of the Company's employees as at 31/12/2021: 458 employees (At 31/12/2020: 420 employees)

1.2 Operating industries and principal activities

Operating industries of the Company include:

- Construction of water works;
 - Construction of mining works;
 - Construction of processing and manufacturing works;
 - Construction of other civil engineering works;
 - Construction of railway works;
 - Construction of road works;
 - Construction of electrical works;
 - Construction of water supply and drainage works;
 - Construction of telecommunications and communication works;
 - Construction of other public works
 - Specialized design activities: *Details: Interior and exterior decoration;*
 - Site preparation: *Details: treatment of the foundation of the work;*
 - Installation of water supply and drainage systems, heating and air-conditioning systems: *Details: Installation, repair and maintenance of air-conditioning and refrigeration systems; Construction and installation of water supply, drainage and wastewater treatment systems..*
 - Manufacture of other foods not elsewhere classified: *Details: Food production;*
 - Distilling, refining and mixing spirits: *Details: Production of alcohol;*
 - Producing beer and malting beer yeast: *Details: Beer production;*
 - Producing non-alcoholic beverages, mineral water: *Details: Producing soft drinks;*
 - Wholesale of other installation materials and equipment in construction: *Details: Producing and trading building materials;*
 - Trading in real estate, land use rights belonging to the owner, user or leased: *Details: Housing development business; Real estate business;*
 - Consulting, brokerage, real estate auction, land use right auction: *Details: real estate brokerage*
- Principal activities of the Company during the year: Construction of civil and industrial works, project development.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

1.3. Normal operating cycle

The Company's normal operating cycle is 12 months

1.4. The Company structure

As at 31/12/2021, the Company has subsidiaries, associates and branches as follows:

Subsidiaries, Associates and Branches as follows:

Company	Address	Business line	Capital Contribution Rate	Voting Rare
Subsidiaries				
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Hanoi	Management and exploitation of construction equipment	100,00%	100,00%
Phuc Hung Electrical Mechanical Joint Stock Company	Hanoi	Management and construction of electromechanical	70,00%	70,00%
PHK Invest Limited Company	Hanoi	Production of construction materials	100,00%	100,00%
Phu Lam Joint Stock Company	Dak Nong	Hydroelectricity	80,00%	80,00%
Associates Company				
An Phu Hung Invest Joint Stock Company	Hanoi	Investing in real estate	46,00%	46,00%
Phuc Hung 7 Investment Construction Joint Stock Company	Thanh Hoa	Construction civil and industry building	40,00%	40,00%
My Xuan Ha Noi Housing Joint Stock Company (*)	Hanoi	Real estate and commercial	19,75%	37,00%

(*) Ownership rate at My Xuan Ha Noi Housing Joint Stock Company: Phuc Hung Holdings Construction Joint Stock Company holds 19.75% of the Company's charter capital and holds 17.25% of the charter capital through cross-ownership in An Phu Hung Invest Joint Stock Company.

Branch of the Company:

- + Phuc Hung Holdings Construction Joint Stock Company - Southern Branch;
- + Phuc Hung Holdings Construction Joint Stock Company - Ho Chi Minh City Branch (Temporarily closed);
- + Phuc Hung Holdings Construction Joint Stock Company -Thang Long Branch

1.5 Statement of information comparability on the financial statements

The Executive Board ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 53/2016/TT-BTC on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Ministry of Finance. Therefore, the information and figures presented in the financial statements are comparable.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

2. FISCAL YEAR AND ACCOUNTING CURRENCY

Fiscal year

Fiscal year of the Company starts on 1st January and ends on 31st December of solar year.

Accounting currency

The accompanying financial statements are expressed in Vietnam Dong (VND)

3. ACCOUNTING STANDARDS AND SYSTEM

Accounting System

The Company applied to Vietnamese Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT- BTC dated March 21, 2016 amending and supplementing a number of articles of Circular 200/2014/TT- BTC dated December 22, 2014.

Statements for the compliance with Accounting Standards and System

The Executive Board ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Financial Statements for the year ended 31 December 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The attached financial statements are expressed under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and legal regulations relevant to the preparation and presentation of financial statements.

The separate financial statements of the Company are prepared on the basis of the summary of the financial statements of the dependent units and the financial statements of the Office of the Company. All transactions and balances between the Office of the Company and its dependent units as well as between the dependent units have been eliminated when preparing and presenting the Company's financial statements.

The accompanying separate financial statements are the Company's ones, therefore, they do not include the financial statements of subsidiaries. Users of the separate financial statements should read them together with the Company's consolidated financial statements for the year ended 31 December, 2021 to obtain full information of the Company's financial position as well as the results of operations and cash flows during the year.

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

Accounting estimates

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the Executive Board to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

Cash and cash equivalents

Cash comprises cash on hand, bank deposits.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial investments

Held to maturity investments

Held-to-maturity investments include term deposits with banks and held-to-maturity bonds for the purpose of earning periodic interest.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Company's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

Held-to-maturity investments are stated at cost less allowance for bad debts.

Allowance for bad debts of held-to-maturity investments is made in conformity with current accounting regulations.

Investment in subsidiaries, associates and others

Investments in subsidiaries over which the Company has control, investments in associates and joint ventures over which the Company has significant influence are stated at cost method in the financial statements.

Profit distributions that Company received from the accumulated profits of the subsidiaries after the Company obtains control right are recognized in income statement. Other distributions are considered a recovery of investment and are deducted to the investment value.

Investments in subsidiaries, joint ventures, associates and other investments are presented at cost less allowance for diminution in value (if any) in the balance sheet.

Other investments are recorded at cost, including purchase price plus directly attributable acquisition costs. After the initial recognition, these investments are measured at cost less allowance for diminution in value of investments.

Allowance for the loss of investments

Allowance for losses of investments in subsidiaries, contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is apparent evidence for impairment in value of the investments as at the balance sheet date

Receivables

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are determined on the basis of cost, in case the cost of inventories is higher than the net realizable value, it must be calculated at the net realizable value. The cost of inventory includes the cost of direct materials, direct labor, and manufacturing overhead, if any, to bring the inventory to its current location and condition. Net realizable value is measured at the estimated selling price less costs to complete and any marketing, selling, and distribution costs incurred. Inventories are accounted for using the perpetual inventory method and valued using the actual method.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the history cost of inventories.

Prepaid expenses

Prepaid expenses include expenses actually incurred but related to the results of production and business activities of many accounting periods. Prepaid expenses of the Company include cost of tools, insurance expense and other prepaid expenses.

Tools and supplies that have been put into use are amortized to expenses on a straight-line basis with amortization period not exceeding 36 months.

Insurance expense that have been put into use are amortized to expenses on a straight-line basis with amortization corresponding to insurance period.

Other prepaid expenses amortized for no more than 36 months.

Tangible fixed assets and Depreciation

Tangible fixed assets are stated at history cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

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

	<u>Years</u>
Buildings, structures	20 - 50
Machinery and equipment	03 - 06
Motor vehicles	03 - 06
Office equipment	03 - 05
Others	03 - 05

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Intangible fixed assets and Amortization

Intangible fixed assets represent the cost of computer software and are stated at cost, history cost less accumulated amortization.

Historical costs of intangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

Computer software is amortized on a straight-line basis over its estimated useful life from 3 years to 5 years.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties include land use rights and buildings, structures held by the Company for the purpose of earning rentals or awaiting higher price, which is stated at cost less accumulated depreciation.

The historical cost of investment property includes all expenses (cash and cash equivalents) paid by the Company, or the fair value of other amount exchanged to acquire the investment property by the time of purchase or construction of the investment property.

Cost related to investment property incurred after initial recognition must be recognized as Cost for Production and Business in the year, unless the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of investment property beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of investment property.

Investment property for lease is amortized on a straight-line basis over its estimated useful life as follows:

	<u>Years</u>
Buildings, structures	20 - 50

Liquidation: Gains and losses from disposal of investment property are measured by the difference between net proceeds from disposal and the remaining amount of the investment property and are recognized as income or expense in the Income Statement.

Construction in progress

Construction in progress reflects the Properties in progress for production, leasing, administrative purposes, or for any other purposes are recognized at the historical cost. This cost includes relevant service fees, interest fees in accordance with the Company's accounting policies. Depreciation of these assets is the same as the other assets, commencing from these assets are ready for their intended use.

Payables

The account payables are monitored in detail by payable terms, payable parties, original currency and other factors depending on the Company's management requirement.

The account payables include payables as trade payables, loans payable, intercompany payable and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: reflect payables of commercial nature arising from the purchase of goods, services, or assets with supplier is an independent (entity independent of the Company, including payables between the parent company and its subsidiaries, joint ventures, associates).
- Intercompany payables includes payables to dependent entities which do not have legal entity, dependent accounting.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

Loans and finance lease liabilities

Loans and finance lease liabilities include loans, financial leases, excluding loans in the form of bonds or preference shares with terms that the issuer is required to repurchase at a certain point in the future.

The Company monitors loan amounts and financial liabilities in details by each type and classifies them into short-term and long-term according to repayment term.

Expenses directly related to the loan are recognized to financial expenses, except for expenses incurred from a separate loan for investment, construction or production in progress, which are capitalized according to Accounting Standard "Borrowing costs".

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued expenses

Accrued expenses are those already recorded in operating expenses in the period/year but not actually paid to ensure that when these expenses actually occur, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

Provisions for payables

The recognized amount of a provision for payables is the best estimate of the amount that will be required to settle the present obligation as at the fiscal year end date.

Only expenses related to the provision for payables made initially will be offset by such provision.

When the difference between the provision for payables made in the previous accounting period that has not yet been used up is larger than the provision for payables made in the reporting period, it shall be reversed and recorded as a decrease in production and business expenses in the period, excluding the larger difference of the provision payables for warranty of construction works reversed into other income in the period.

Provisions for payables of the Company are provision for construction works warranty.

Recognition and capitalization of Borrowing costs

All other borrowing costs are recognised in the Income statement when incurring, except for the borrowing cost capitalized under Vietnamese Accounting Standards "Borrowing cost".

Owners' equity

Capital is recorded according to the actual amounts invested by shareholders.

Capital surplus are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue, or the difference between the re-issuance price and carrying value of treasury shares.

Undistributed profit is determined on the basis of business results after corporate income tax and the distribution of profits or handling of losses of the Company.

Profit after corporate income tax is distributed to owners/shareholders/members after setting up funds in accordance with the Company's Charter as well as the provisions of law and approved by the General Meeting of Shareholders.

Dividends are announced and paid based on the estimated profit. Official dividends are announced and paid in the next year from undistributed profits based on the approval of the Shareholders' Council at the Company's Annual General Meeting.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and other income

The Company's revenue includes revenue from sales of products real estate... revenue from construction contracts, revenue from providing services (office leasing and service fees, equipment rental),...

Revenue from sale of goods and products

Revenue from sale of goods shall be recognized when it satisfies all the five (5) conditions below:

- The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- Costs related to transactions can be determined.

Revenue from services

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- Identify the completed work as at the balance sheet date;
- Determine the costs incurred for the transaction as well as the cost to complete the transaction to provide that service.

Revenue from real estate

Revenue from the sale of real estate in which the Company is an investor is recognized when all of the following conditions are satisfied:

- The property has been completed in its entirety and handed over to the buyer, and the business has transferred the risks and rewards of ownership of the property to the buyer..
- The company no longer holds the right to manage the real estate as the owner of the real estate or control the real estate.
- The revenue can be measured reliably.
- The Company has obtained or will receive economic benefits from the sale of real estate.
- Costs related to transactions can be determined.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and other income (Continued)

Revenue from construction contract

Revenue from construction contract is paid according to the value of the volume performed, when the outcome of a construction contract is reliably determined and confirmed by the customer, the revenue and expenses related to the contract are recognized in equivalent proportion to the completed work confirmed by the customer and reflected on the issued invoice.

Increases and decreases in construction and installation volume, compensation and other revenues are recognized as revenue only when agreed with the customer.

When the outcome of a construction contract cannot be reliably estimated, then:

- Revenue is recognized only to the extent of contract costs incurred, for which it is probable that reimbursement will be made.
- Contract costs are recognized in expenses only when incurred.

Revenue from interest income, dividends and profits received and other income

The revenue is recognized when the Company can obtain economic benefits from the above activities and when it is reliably measured.

Cost of goods sold

Including cost of construction, sale and sale of investment real estate for sale during the year (including depreciation expenses; repair costs; professional expenses for leasing investment property by rental mode) activities,...) are recognized in line with revenue for the year.

Current corporate income tax expense and deferred corporate income tax expense.

Corporate income tax expenses (or corporate income tax income): is total current and deferred income tax expenses (or total current and deferred tax) in determining profit or loss of a period.

Current income tax expenses: are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

The Company has an obligation to pay corporate income tax at the rate of 20% on taxable profits.

The determination of the Company's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the inspection results of the competent tax authorities.

Related parties

A party is considered a related party of the Corporation in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of relationship is focused more than its legal form.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment reporting

Business segments: The company has 02 (two) segments: real estate business and other activities; construction activities. However, during the year, revenue and profit from real estate business and other activities accounted for less than 10% of revenue and profit in the year. Segment of geographical segment – Vietnam there is no difference in risks and economic benefits. Therefore, the Company does not present segment reports by business segments and by geographical segments in accordance with Vietnamese Accounting Standard No. 28 - Segment Reporting.

5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2021	01/01/2021
	VND	VND
Cash on hand	980,588,150	235,691,419
Cash at bank	52,671,791,879	63,909,047,875
Total	53,652,380,029	64,144,739,294

5.2 Held to maturity investments

	31/12/2021 (VND)		01/01/2021 (VND)	
	History Cost	Book value	History Cost	Book value
Short-term	1,827,171,376	1,827,171,376	701,453,217	701,453,217
- Termly deposits	1,827,171,376	1,827,171,376	701,453,217	701,453,217
Long-term	14,900,000,000	14,900,000,000	19,900,000,000	19,900,000,000
- Bonds (*)	14,900,000,000	14,900,000,000	19,900,000,000	19,900,000,000
Total	16,727,171,376	16,727,171,376	20,601,453,217	20,601,453,217

(*) Certificate of ownership of bonds issued to the public by the Joint Stock Commercial Bank for Investment and Development of Vietnam on December 19, 2018; Bond Code: BID2_18.06_06135 days; Quantity: 1,490 Bonds; Par value of 1 Bond is 10,000,000 VND/Bond; The Bond Term is 10 years; Release date December 19, 2018; Due date 12/19/2028; Interest payment method: once a year on the Bond interest payment date.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.3 Receivables from customer

	31/12/2021	01/01/2021
	VND	VND
KINHBAC City Development Holding Corporation	22,474,163,008	-
Petrovietnam - SSG Real Estate Joint Stock Company	-	23,288,271,617
Tasco Joint Stock Company	2,060,941,182	2,060,941,182
VNCN Engineering Construction And Investment Joint Stock Corporation	49,865,835,557	65,512,023,165
Gamuda Land Viet Nam Limited Liability Company	56,876,433,668	46,655,955,895
BQP - Dong Do Property Investment Joint Stock Company	90,536,087,967	102,252,372,095
Ecopark Corporation Joint Stock Company	20,474,766,807	-
Construction Production Trading Co., Ltd Resources	167,849,700,025	219,568,268,507
Trung Yen Trading And Investment Joint Stock Company	27,677,679,417	36,677,679,417
Phu Lam Group Joint Stock Company	63,337,963,439	38,428,232,219
Viet Nam Motors Corporation	3,506,767,200	36,161,589,383
Others (*)	363,303,738,739	341,497,621,711
Total	867,964,077,009	912,102,955,191
<i>In which receivables from related parties are presented in Note 7.2</i>	<i>135,313,869,976</i>	<i>56,005,918,843</i>

(*): Other subjects include receivables from customers with balances less than 10% of the total

5.4 Advances for Suppliers

	31/12/2021	01/01/2021
	VND	VND
Hung Viet - UDIC Construction Investment Joint Stock Company	-	245,254,256
Lam Anh Development Trading Company Limited	11,243,552,397	11,743,552,397
Dua FAT Group Joint Stock Company	-	5,422,143,082
Rang Dong Tourism And Service Joint Stock Company	-	3,676,406,023
TKB Viet Nam Joint Stock Company	28,861,978,000	-
Others (*)	88,644,847,103	53,474,226,186
Total	128,750,377,500	74,561,581,944

(*): Other subjects include Advance for Supplier with balances less than 10% of the total

PHUC HUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY

1st Floor, Tower A, Building CT2 (The Light), To Huu Street
 Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.5 Other receivables

	31/12/2021 (VND)		01/01/2021 (VND)	
	Book value	Provision cost	Book value	Provision cost
Other short-term	250,629,708,249	-	215,109,549,161	-
- Thang Long Investment Mechanization And Construction Joint Stock Company	3,000,000,000	-	3,000,000,000	-
- Thang Long Construction Joint Stock Company No 06	1,500,000,000	-	1,500,000,000	-
- Phuc Hung No.3 Investment Construction Joint Stock Company	-	-	1,485,000,000	-
- Phuc Hung No.7 Investment Construction Joint Stock Company	1,200,000,000	-	-	-
- PHH Business Investment Company Limited	-	-	1,202,302,960	-
- My Xuan Ha Noi Housing Joint Stock Company	30,030,012,170	-	96,950,220,338	-
- Phu Lam Group Joint Stock Company	17,773,808,220	-	5,563,281,426	-
- An Phu Hung Business Investment Joint Stock Company	3,591,780,821	-	35,442,000,000	-
- Others	99,552,616,600	-	18,606,741,049	-
- Collateral	2,000,000	-	2,000,000	-
- Advance	93,979,490,438	-	51,358,003,388	-
Total	250,629,708,249	-	215,109,549,161	-
<i>In which, Receivables of related parties are presented in Note 7.2</i>	<i>52,595,601,211</i>	-	<i>137,955,501,764</i>	-

(*): Other subjects include Other receivables with balances less than 10% of the total

PHUCHUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.6 Bad Debts

	31/12/2021 (VND)			01/01/2021 (VND)		
	Book value	Provision cost	Recoverable value	Book value	Provision cost	Recoverable value
Tiem Nang Joint Stock Company	409,412,885	409,412,885	-	409,412,885	409,412,885	-
Vung Tau - Sai Gon Tourist Trade Joint Stock Company	2,483,981,107	1,458,810,080	1,025,171,027	2,483,981,107	1,458,810,080	1,025,171,027
Bao Viet Hotel And Tourist Joint Stock Company	1,330,119,400	1,330,119,400	-	1,330,119,400	1,330,119,400	-
201 Construction Joint Stock Company	281,467,000	281,467,000	-	281,467,000	281,467,000	-
Bach Dang 234 Construction Joint Stock Company	539,593,754	537,127,421	2,466,333	539,593,754	537,127,421	2,466,333
Hoang Khoi LTD., CO	257,898,800	257,898,800	-	257,898,800	257,898,800	-
Petro IMICO Construction Investment Joint Stock Company	13,044,263,372	500,000,000	12,544,263,372	13,044,263,372	500,000,000	12,544,263,372
Project Management Board from capital sources Budget-Department of Science and Technology Hanoi	414,116,000	204,973,779	209,142,221	414,116,000	204,973,779	209,142,221
Others	1,223,086,171	1,223,086,171	-	923,086,171	923,086,171	-
Total	19,983,938,489	6,202,895,536	13,781,042,953	19,683,938,489	5,902,895,536	13,781,042,953

5.7 Inventories

	31/12/2021 (VND)		01/01/2021 (VND)	
	Cost	Provision cost	Cost	Provision cost
Raw materials	76,875,741,400	-	-	-
Instrument & tools	163,788,000	-	632,156,424	-
Cost for work in process (*)	476,504,877,077	-	392,504,907,151	-
Goods	24,911,370,893	-	45,997,500,465	-
Total	578,455,777,370	-	439,134,564,040	-

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.7 Inventories (Continued)

In which: () Details of Work in process*

	31/12/2021 (VND)		01/01/2021 (VND)	
	History Cost	Book value	History Cost	Book value
CT1 Gamuda Gardens high-rise apartment building	-	-	1,680,553,645	1,680,553,645
Dai Kim Apartment	-	-	3,181,838,571	3,181,838,571
Golden Land apartment project 275 Nguyen Trai	52,789,495,934	52,789,495,934	39,283,746,108	39,283,746,108
Florence My Dinh Project - High-rise housing complex combining commercial and office services	-	-	12,114,949,088	12,114,949,088
Hai Dang Tower Project	-	-	182,295,600	182,295,600
Finishing building A1 - IA20 Apartment, Nam Thang Long Urban Area	-	-	2,755,657,569	2,755,657,569
Mixed-use building, commercial, service, office and high-class apartment PANDORA	-	-	6,393,831,931	6,393,831,931
Building the headquarters of the People's Committee of Dong Da district Project EVERGREEN	738,402,523	738,402,523	13,040,740,036	13,040,740,036
Hoang Thanh low-rise housing	-	-	15,119,039,795	15,119,039,795
Meyhomes Phu Quoc Villa (143 units) - Contract 16	101,203,372,008	101,203,372,008	4,226,588,997	4,226,588,997
High-rise apartment project HH2 Gamuda City	98,385,990,005	98,385,990,005	5,200,000	5,200,000
Others	223,387,616,607	223,387,616,607	34,509,430,016	34,509,430,016
Total	476,504,877,077	476,504,877,077	392,504,907,151	392,504,907,151

5.8 Prepaid expenses

	31/12/2021 VND	01/01/2021 VND
Short-term	266,926,994	3,720,982,773
Tools and equipment	73,895,319	3,351,186,333
Insurance costs	94,125,588	93,071,927
Others	98,906,087	276,724,513
Long-term	1,854,223,308	8,775,428,055
Tools and equipment	1,854,223,308	8,775,428,055
Total	2,121,150,302	12,496,410,828

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.9 Tangible Fixed Assets

Unit: VND

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Total
HISTORICAL COST					
As at 01/01/2021	28,461,674,007	25,643,796,794	12,993,358,887	448,085,475	67,546,915,163
Increase	-	10,225,265,532	4,726,629,089	-	14,951,894,621
New purchase	-	478,000,000	2,924,021,818	-	3,402,021,818
Transfer, reclassify	-	9,747,265,532	1,802,607,271	-	11,549,872,803
Decrease	-	1,802,607,271	4,070,171,615	-	5,872,778,886
Disposal	-	-	4,070,171,615	-	4,070,171,615
Transfer, reclassify	-	1,802,607,271	-	-	1,802,607,271
As at 31/12/2021	28,461,674,007	34,066,455,055	13,649,816,361	448,085,475	76,626,030,898
ACCUMULATED DEPRECIATION					
As at 01/01/2021	6,378,101,621	14,319,203,798	8,088,198,352	405,070,009	29,190,573,780
Increase	2,086,317,755	4,372,224,354	1,427,108,593	23,239,394	7,908,890,096
Depreciation for the year	2,086,317,755	1,880,713,285	1,427,108,593	23,239,394	5,417,379,027
Transfer, reclassify	-	2,491,511,069	-	-	2,491,511,069
Decrease	-	-	2,826,500,353	-	2,826,500,353
Disposal	-	-	2,826,500,353	-	2,826,500,353
As at 31/12/2021	8,464,419,376	18,691,428,152	6,688,806,592	428,309,403	34,272,963,523
NET BOOK VALUE					
As at 01/01/2021	22,083,572,386	11,324,592,996	4,905,160,535	43,015,466	38,356,341,383
As at 31/12/2021	19,997,254,631	15,375,026,903	6,961,009,769	19,776,072	42,353,067,375

History cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2021 is: 2,757,441,110 VND (As at 01/01/2021 is 4,093,606,362 VND).

Net book value of tangible fixed assets used to secure bank loans as at 31/12/2021 is: 26,195,447,340 VND (As at 01/01/2021 is: 14,349,539,638 VND).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.10 Intangible Fixed Assets	<i>Unit: VND</i>	
	Software	Total
Historical Cost		
As at 01/01/2021	841,705,600	841,705,600
Increase	-	-
Decrease	-	-
As at 31/12/2021	<u>841,705,600</u>	<u>841,705,600</u>
ACCUMULATED AMORTIZATION		
As at 01/01/2021	606,374,603	606,374,603
Increase	83,571,868	83,571,868
Depreciation for the year	83,571,868	83,571,868
Decrease	-	-
As at 31/12/2021	<u>689,946,471</u>	<u>689,946,471</u>
NET BOOK VALUE		
As at 01/01/2021	<u>235,330,997</u>	<u>235,330,997</u>
As at 31/12/2021	<u>151,759,129</u>	<u>151,759,129</u>

5.11 Investment property	<i>Unit: VND</i>			
	<u>As at 01/01/2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>As at 31/12/2021</u>
a. Real estate for investment rental				
HISTORICAL COST	12,797,093,664	64,347,392,219	-	77,144,485,883
- House and land use rights	12,797,093,664	64,347,392,219	-	77,144,485,883
ACCUMULATED DEPRECIAT	1,867,973,116	1,753,508,941	-	3,621,482,057
- House and land use rights	1,867,973,116	1,753,508,941	-	3,621,482,057
NET BOOK VALUE	10,929,120,548	62,593,883,278	-	73,523,003,826
- House and land use rights	10,929,120,548	62,593,883,278	-	73,523,003,826

Net book value of tangible fixed assets used to secure bank loans as at 31/12/2021 is 33,915,528,082 VND (As at 01/01/2021 is 10,929,120,548 VND).

According to Vietnamese Accounting Standard No. 05 - Investment properties, the fair value of investment properties should be disclosed in the Notes to the financial statements. As of June 30, 2021, the Company has hired a valuation unit to determine the fair value of the Real Estates owned by the Company (Real estate value according to the Certificate of Land Use Rights, the Ownership of the Property, and the Ownership of the Property. residential and land-attached assets number CN 566356, CP 777449, CP 555914, CN 868908, DC 402746, DC 402745, DC 402743, DC 402742 and CR 555422 with a value of 294,300,000,000 VND according to the Appraisal Certificate Price No. 280621/TGG-CT dated June 28, 2021 of ASCO Auditing and Valuation Firm Co., Ltd. Asset valuation for reference purposes as a basis for mortgage of bank loans.

Revenue and Cost of goods sold related to Investment Real Estate for rent during the year are presented in Notes 6.1 and 6.2 with amounts of VND 2,344,131,141 and VND 1,753,508,941 respectively.

5.12 Construction in progress

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Cost of building software	1,326,880,000	1,326,880,000
Cost of building and completing regulations	130,909,091	130,909,091
Modern management and future orientation		
Total	<u>1,457,789,091</u>	<u>1,457,789,091</u>

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.13 Financial Investments

Unit: VND

	Rate		31/12/2021		01/01/2021	
	Ownership Ratio	Voting Ratio	Cost	Reasonable value Provision	Cost	Reasonable value Provision
Investment in Subsidiaries			93,960,000,000	-	28,700,000,000	-
Phuc Hung Construction Equipment Management One Member Limited Liability Company	100.00%	100.00%	20,000,000,000	-	20,000,000,000	-
Phuc Hung Electrical Mechanical Joint Stock Company	70.00%	70.00%	3,500,000,000	-	3,500,000,000	-
PHK Investment Company Limited	100.00%	100.00%	60,000,000	-	60,000,000	-
Van Phu Urban Investment Company Limited (**)			-	-	5,140,000,000	-
Phu Lam Group Joint Stock Company (***)	80.00%	80.00%	70,400,000,000	-	-	-
Investment in the associated and joint-venture companies			108,599,980,000	-	65,799,980,000	-
An Phu Hung Business Investment Joint Stock Company	46.00%	46.00%	82,800,000,000	-	40,000,000,000	-
Phuc Hung No.7 Investment Construction Joint Stock Company	40.00%	40.00%	8,000,000,000	-	8,000,000,000	-
My Xuan Ha Noi Housing Joint Stock Company	19.75%	37.00%	17,799,980,000	-	17,799,980,000	-
Other Investments			24,642,000	-	24,642,000	-
Joint stock Commercial Bank for Investment and Development of Viet Nam			24,642,000	-	24,642,000	-
Total			202,584,622,000	(*)	94,524,622,000	(*)

(*) The Company has not determined the fair value of the investments as the Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System currently do not have guidance on how to calculate fair value using valuation techniques. The fair value of this financial instrument may differ from its carrying amount.

(**) The company contributes capital to Van Phu Urban Investment Company Limited according to Resolution No. 07/NQ/2020/PHC-HDQT dated December 8, 2020.

After capital contribution, the Company transferred all contributed capital in Van Phu Urban Investment Company Limited according to Resolution No. 25NQ/2021/PHC-HDQT dated December 24, 2021 and Resolution No. 26NQ/2021/PHC-HDQT dated December 29, 2021 of the Executive Board of the Company.

(***) The Company purchased shares in Phu Lam Joint Stock Company according to Resolution No. 10NQ/2021/PHC-HDQT dated June 22, 2021 of the Executive Board on the approval of the policy of buying shares of Phu Lam Joint Stock Company.

(****) Major transactions between the Company and its subsidiaries, joint ventures and associates during the year are presented in Note 7.2 - Related party transactions on notes to the financial statement.

PHUC HUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY

1st Floor, Tower A, Building CT2 (The Light), To Huu Street
 Trung Van Ward, Nam Tu Liem District, Hanoi, Vietnam

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.14 Trade Payables

	31/12/2021 (VND)		01/01/2021 (VND)	
	Book value	Recoverable value	Book value	Recoverable value
a. Short-term	461,393,948,542	461,393,948,542	401,700,963,842	401,700,963,842
Kycons Joint Stock Company	14,529,489,313	14,529,489,313	14,957,649,993	14,957,649,993
An Nam Technology And Construction Joint Stock Company	769,593,848	769,593,848	1,725,239,970	1,725,239,970
Long Hung Investment and Construction Joint Stock Company	2,275,115,985	2,275,115,985	3,275,115,985	3,275,115,985
Viet Tiep Investment Building Development Joint Stock Company	8,294,265,100	8,294,265,100	13,102,870,468	13,102,870,468
Fountech Joint Stock Company	13,150,113,165	13,150,113,165	5,098,920,939	5,098,920,939
Viet Duc Co., Ltd	5,968,060,000	5,968,060,000	12,352,150,625	12,352,150,625
Thu Ngan Construction And Trading Limited	1,522,553,568	1,522,553,568	3,674,471,751	3,674,471,751
Freyssinet Viet Nam Company Limited	300,191,855	300,191,855	300,191,855	300,191,855
Lam Hoang Anh Construction Joint Stock Company	9,948,148,904	9,948,148,904	20,007,431,351	20,007,431,351
Van Lang Co.,Ltd	20,491,208,569	20,491,208,569	23,242,908,321	23,242,908,321
Tan Phat Refrigeration Electrical Mechanical Trading Joint Stock Company	1,217,630,646	1,217,630,646	11,912,935,607	11,912,935,607
Phuc Hung Cons Construction Coporation	14,230,498,446	14,230,498,446	4,756,832,612	4,756,832,612
PHCONS Construction Joint Stock Company	13,461,087,726	13,461,087,726	19,847,053,594	19,847,053,594
Others (*)	355,235,991,417	355,235,991,417	267,447,190,771	267,447,190,771
Total	461,393,948,542	461,393,948,542	401,700,963,842	401,700,963,842
<i>In which, payables to related parties are presented Note 7.2</i>	<i>23,216,328,795</i>	<i>23,216,328,795</i>	<i>31,310,450,692</i>	<i>31,310,450,692</i>

(*): Other subjects include Trade payables with balances less than 10% of the total.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.15 Prepayment of customers

	31/12/2021	01/01/2021
	VND	VND
My Xuan Ha Noi Housing Joint Stock Company	-	11,536,430,245
Ecopark Corporation Joint Stock Company	-	1,584,497,519
Ha Thanh Co., Ltd	-	28,444,220,000
Viet Nam Green Architecture Investment And Construction Joint Stock Company	41,363,643,513	-
General Department of Logistics	47,346,897,040	-
HBI Joint Stock Company	29,672,733,473	-
Others	160,604,704,110	42,747,578,525
Total	278,987,978,136	84,312,726,289
<i>In which, prepayment of related parties are presented in Note 7.2</i>	-	11,536,430,245

(*): Other subjects include Prepayment with balances less than 10% of the total

5.16 Taxes and payables to State Treasury

Unit: VND

	01/01/2021	Amount to be paid	Amount paid	31/12/2021
Payables	852,034,552	22,220,902,343	20,758,501,305	2,314,435,590
Value Added Tax (VAT)	54,916,177	13,010,778,967	13,010,778,967	54,916,177
Import and export tax	-	202,473,128	202,473,128	-
Corporate income tax	-	8,068,008,568	6,155,874,898	1,912,133,670
Personal income tax	797,118,375	918,997,590	1,368,730,222	347,385,743
Property tax, land rent	-	16,644,090	16,644,090	-
Fee & charge & other payables	-	4,000,000	4,000,000	-
Receivables	5,830,022,510	5,827,267,510	-	2,755,000
Value Added Tax (VAT)	279,249,096	276,494,096	-	2,755,000
Corporate income tax	5,550,773,414	5,550,773,414	-	-

5.17 Other Payables

	31/12/2021	01/01/2021
	VND	VND
Short-term	33,850,016,804	34,033,101,737
Trade union fee	725,285,810	1,414,954,854
Unemployment insurance	-	212,823
Other payables	33,124,730,994	32,617,934,060
<i>Dividend</i>	<i>536,331,130</i>	<i>701,079,180</i>
<i>Others</i>	<i>32,588,399,864</i>	<i>31,916,854,880</i>
Total	33,850,016,804	34,033,101,737
<i>In which other payable from buyers from related parties are presented in Note 7.2</i>	<i>3,000,000,000</i>	<i>2,000,000,000</i>

(*): Other subjects include Other payables with balances less than 10% of the total.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.18 Borrowings and Finance lease liabilities

Unit: VND

	31/12/2021		In the period		01/01/2021
	Cost	Amount can be paid	Addition	Deduction	Cost Amount can be paid
Short-term	767,573,063,190	767,573,063,190	1,428,083,626,150	1,621,010,041,878	960,499,478,918
Bank for Investment and Development of Vietnam- Dong Do Branch (1)	767,284,263,190	767,284,263,190	1,428,083,626,150	1,605,010,041,878	944,210,678,918
Borrow individuals	288,800,000	288,800,000	-	16,000,000,000	16,288,800,000
Borrowing due to maturity	10,171,405,291	10,171,405,291	10,171,405,291	16,728,065,125	16,728,065,125
Bank for Investment and Development of Vietnam- Dong Do Branch (2)	10,171,405,291	10,171,405,291	10,171,405,291	16,728,065,125	16,728,065,125
Long-term	-	-	-	21,147,540,046	21,147,540,046
Bank for Investment and Development of Vietnam- Dong Do Branch (2)	-	-	-	19,248,553,930	19,248,553,930
Public Bank Vietnam Limited - Ha Noi Branch (3)	-	-	-	1,331,650,116	1,331,650,116
Military Commercial Joint Stock Bank - Dien Bien Phu Branch (4)	-	-	-	567,336,000	567,336,000
Total	777,744,468,481	777,744,468,481	1,438,255,031,441	1,658,885,647,049	998,375,084,089

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NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.18 Borrowings and Finance lease liabilities (Continued)

(1) Credit contract No. 01/2021/36032/HDTD signed on September 30, 2021 between Joint Stock Commercial Bank for Investment and Development of Vietnam - Dong Do Branch and Phuc Hung Holdings Construction Joint Stock Company with a credit limit of VND 2,265,000,000 including Vietnam dong and foreign currency converted, which includes all short-term loan balance, guarantee balance, L/C opening carried forward from the short credit contract. Specific term, specific guarantee contract under specific short-term credit contract, specific guarantee contract under credit line contract No. 01/2020/3602/HDTD dated September 30, 2020 to . Purpose: Supplement working capital, guarantee, cover. The time limit for granting the limit is 12 months from the date of signing the contract, no later than September 30, 2022. The interest rate is determined in each specific credit contract for each disbursement. Loan term/guarantee term/L/C term is determined according to each specific Credit Contract, L/C is issued.

(2) Long-term loans at Joint Stock Commercial Bank for Investment and Development of Vietnam - Dong Do Branch under the following contracts:

+ Credit contract No. 07/2018/36032/HDTD dated August 28, 2018 with the loan amount on the contract: VND 2,130,000,000, interest rate applied at the time of disbursement to December 31, 2018: 11.1%/year, floating interest rate adjusted every 6 months on the first day of Quarter I and Quarter III of each year, applied according to the notice of the bank at the time of adjustment. The loan principal is paid on the 25th of the last month of the quarter, starting from the third quarter of 2018 to the end of August 28, 2023 according to the repayment schedule, the interest is paid on the 25th of every month. Purpose of borrowing capital to buy 02 sets of tower crane QTZ160 (TC6024) to improve the construction capacity of the company. Loan term: 60 months from the date of first withdrawal of capital. Collateral: Assets formed from borrowed capital.

+ Credit contract No. 02/2019/36032/HDTD dated March 5, 2019 with the loan amount on the contract: VND 11,625,000,000, the interest rate applied at the time of disbursement until June 30, 2019: 11.1 %/year, floating interest rate adjusted every 6 months according to the bank notice at the time of adjustment. The loan principal is repaid in 20 months on the 25th of every month. Interest is paid on the 25th of every month. Loan purpose: payment of aluminium formwork. Loan term: 60 months. Security measure: assets formed from borrowed capital.

+ Credit contract No. 01/2019/36032/HDTD dated February 22, 2019 with the loan amount on the contract: 12,877,850,000 VND, the interest rate applied at the time of disbursement until June 30, 2019: 11.1. %/month, floating interest rate adjusted every 6 months according to the Bank's interest rate announcement. Loan principal is paid in 20 months on the 25th of every month, interest is paid on the 25th of every month. Loan purpose: Payment of aluminium formwork, loan term: 60 months. Security measure: Assets formed from borrowed capital.

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.19 Owners' Equity

a. Changes of owners' equity

Unit: VND

	Share capital	Share premium	Other owner's capital	Appropriated funds development	Retained earnings	Total
As at 01/01/2020	257,482,600,000	37,791,048,633	-	8,000,000,000	79,614,769,403	382,888,418,036
Gain in this year	-	-	-	-	1,089,606,705	1,089,606,705
Payment of dividends by cash	-	-	-	-	(25,748,260,000)	(25,748,260,000)
Appropriated funds development	-	-	-	5,000,000,000	(5,000,000,000)	-
Appropriated bonus funds	-	-	-	-	(1,500,000,000)	(1,500,000,000)
Others	-	-	-	-	709,294,426	709,294,426
As at 31/12/2020	257,482,600,000	37,791,048,633	-	13,000,000,000	49,165,410,534	357,439,059,167
As at 01/01/2021	257,482,600,000	37,791,048,633	-	13,000,000,000	49,165,410,534	357,439,059,167
Increase capital (i)	228,741,300,000	29,776,797,681	-	-	-	258,518,097,681
Gain in this year	-	-	-	-	46,091,423,866	46,091,423,866
Payment of dividends by shares (i)	20,595,370,000	-	-	-	(20,595,370,000)	-
As at 31/12/2021	506,819,270,000	67,567,846,314	-	13,000,000,000	74,661,464,400	662,048,580,714

(i) The Company increased its capital and paid dividends in shares in accordance with the Resolution of the 2021 Annual General Meeting of Shareholders No. 01/NQ/2021/PH-ĐHĐCĐ dated April 22, 2021, according to which the results perform:

- + Issued to pay dividends: 2,059,537 shares;
- + Public offering of shares to existing shareholders: 12,874,130 shares;
- + Public offering of shares to public investors: 10,000,000 shares.

Total proceeds from the offering 264,233,894,665 VND; The proceeds of the Company are used to invest in buying shares of Phu Lam Joint Stock Company VND 70,400,000,000; additional capital contribution to An Phu Hung Business Investment Joint Stock Company 42,800,000,000 VND; Repayment of bank loans of VND 80,000,000,000 (according to NQ15/2021/PHC-HĐQT and NQ24/2021/PHC-HĐQT); Payment of share issuance costs 5,715,796,984 VND. The remaining amount of money is used by the Company to repay loans, suppliers and other operating expenses (according to Resolution 24NQ/2021/PHC-HĐQT).

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.19 Owner's Equity (Continued)

b. Details of owners' equity

	31/12/2021	01/01/2021
	VND	VND
Cao Tung Lam	59,119,900,000	37,417,680,000
Others	447,699,370,000	220,064,920,000
Total	506,819,270,000	257,482,600,000

c. Capital transactions with shareholders and appropriation of profits and dividends

	In 2021	In 2020
	VND	VND
Owner's equity		
Capital contributed at the beginning of the period	257,482,600,000	257,482,600,000
Capital increased in the period	249,336,670,000	-
Capital contributed at the end of the period	506,819,270,000	257,482,600,000
Dividends	20,595,370,000	25,748,260,000
Distribution of funds	-	6,500,000,000

d. Shares

	31/12/2021	01/01/2021
	Shares	Shares
Number of shares registered for issuance	50,681,927	25,748,260
Number of shares sold to the public	50,681,927	25,748,260
Common shares	50,681,927	25,748,260
Number of shares to be acquired	-	-
Common shares	-	-
Number of outstanding shares	50,681,927	25,748,260
Common shares	50,681,927	25,748,260
Par value of outstanding shares (VND/per share)	10,000	10,000

6. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

6.1 Revenue from sales of goods and provision of services

	In 2021	In 2020
	VND	VND
Sale of constructions	924,786,809,865	1,265,540,961,823
Sales of goods	13,377,830,217	30,485,898,405
Sales of real estate business	33,402,570,767	57,249,769,320
Total	971,567,210,849	1,353,276,629,548
<i>In which revenue from related parties are presented in Note 7.2</i>	<i>70,623,242,097</i>	<i>49,028,962,991</i>

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

6.2 Cost of goods sold

	In 2021 VND	In 2020 VND
Cost of constructions	852,520,134,218	1,188,393,465,507
Cost of goods sold	6,516,278,978	10,607,313,193
Cost of real estate business	33,615,526,476	56,129,452,534
Total	892,651,939,672	1,255,130,231,234

6.3 Financial income

	In 2021 VND	In 2020 VND
Interest income, loan	4,771,902,659	3,896,531,133
Interest from transferring the right to buy and exploit products of the rural residential project in Duyen hamlet, Ky Phu commune, Dai Tu district, Thai Nguyen province	15,000,000,000	-
Dividends distributed profit	2,800,000,000	20,000,000,000
Bond interest	1,338,400,000	2,527,520,000
Late payment interest	37,983,038,426	2,444,056,211
Total	61,893,341,085	28,868,107,344

6.4 Financial expenses

	In 2021 VND	In 2020 VND
Interest expenses	43,828,608,917	46,607,197,024
Goodwill when reducing investment capital	-	17,999,820,000
Others	829,886,157	5,544,764,787
Total	44,658,495,074	70,151,781,811

6.5 Selling expenses and General and administration expenses

	In 2021 VND	In 2020 VND
Selling expenses	946,272,634	596,798,835
Other expenses in cash	946,272,634	596,798,835
General administration expenses	35,469,498,096	54,979,230,578
Employee expenses	19,676,673,851	25,962,232,372
Office supplies expenses	1,345,439,951	5,658,935,750
Depreciation expenses	4,325,730,148	3,684,569,689
Tax charges and fees	40,361,362	31,870,455
Provision expense	300,000,000	500,000,000
Outsourcing expense	699,999,397	94,209,151
Other expenses in cash	9,081,293,387	19,047,413,161
Total	36,415,770,730	55,576,029,413

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

6.6 Other Income/Expenses

	In 2021 VND	In 2020 VND
Other income		
Income from liquidation of assets, tools and equipment and rental of equipment	336,142,546	853,504,947
Commission fee for real estate brokerage	-	2,970,958,635
Compensation cost for Long Toan project	-	371,685,600
Income from scaffolding rental	-	3,306,730,954
Provide utilities for contractors at construction sites	662,344,140	-
Others	2,355,388,885	2,848,580,316
Total	3,353,875,571	10,351,460,452
Other Expense		
Expenses for liquidation of fixed assets, tools, and equipment rental	286,767,248	1,976,447,188
Warranty of works	398,055,403	-
Commission fees for housing brokerage	-	2,266,136,732
Cost from scaffolding rental	-	3,019,577,660
Cost of Long Toan Project	-	489,132,080
Others	2,693,193,530	2,797,254,521
Total	3,378,016,181	10,548,548,181
Other profit	(24,140,610)	(197,087,729)

6.7 Current corporate income tax expense

	In 2021 VND	In 2020 VND
Accounting profit before tax	59,710,205,848	1,089,606,705
Adjustments to increase taxable income	1,954,391,801	218,846,153
<i>Expenses are not deducted</i>	<i>1,288,391,801</i>	<i>218,846,153</i>
<i>Salary and remuneration for the Board of Directors, Supervisory Board not directly operated</i>	<i>666,000,000</i>	<i>120,000,000</i>
Adjustments to reduce taxable income	23,499,193,628	20,000,000,000
<i>Dividend received</i>	<i>2,800,000,000</i>	<i>20,000,000,000</i>
<i>Taxed profit of the previous year</i>	<i>418,029,107</i>	-
<i>Total interest expense is deductible without tax</i>	<i>20,281,164,521</i>	-
Income subject to CIT	38,165,404,021	(18,691,547,142)
CIT payable	7,633,080,805	-
CIT corresponding to the excess of loan interest expenses in previous years	5,985,701,177	-
CIT expenses calculated on income taxable for the current year	13,618,781,982	-

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

6.8 Production and business expenses by factors

	In 2021	In 2020
	VND	VND
Raw materials expenses	340,985,976,978	420,298,695,738
Employee expenses	46,108,000,985	87,844,196,712
Depreciation expenses	7,254,459,836	6,286,084,525
Provision expenses	540,616,725,202	501,814,566,137
Outsourcing expenses	62,559,438,452	91,833,249,013
Other expenses	300,000,000	500,000,000
Total	997,824,601,453	1,108,576,792,125

7. OTHER INFORMATION

7.1 Events after the financial year end

According to Decision No. 01/QD/2022/PH-HĐQT dated January 5, 2022 of the Executive Board of the Company deciding to invest in capital contribution to establish An Thinh Phat Real Estate Investment Co., Ltd with the contributed capital of 82,722,000,000 VND; capital contribution ratio accounts for 32.44% of the Company's charter capital and appoints Mr. Tran Huy Tuong as the representative to manage 100% of the Company's contributed capital, the term until the end of December 31, 2022.

7.2 Transaction with Related parties

As at 31/12/2021, Related parties of the Company including:

<u>Related parties</u>	<u>Relationship</u>
Company	
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Subsidiaries
Phuc Hung Electrical Mechanical Joint Stock Company	Subsidiaries
PHK Invest Limited Company	Subsidiaries
Phu Lam Group Joint Stock Company	Subsidiaries
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company
My Xuan Ha Noi Housing Joint Stock Company	Associated Company
An Phu Hung Business Investment Joint Stock Company	Associated Company
Personal	
Mr. Cao Tung Lam	Chairman
Mr. Tran Huy Tuong	Member of Management Board
Mr. Nguyen Duc Thang	Member of Management Board
Mr. Do Nguyen An	Member of Management Board
Mr. Nguyen Cong Khanh	Member of Management Board
Mr. Tran Hong Phuc	Member of Management Board
Mr. Nguyen Ngoc Diep	Member of Management Board
Mr. Tran Thang Loi	Deputy General Director
Mr. Le Quoc Tuan	Deputy General Director
Mr. Nguyen Hoang Anh	Deputy General Director
Mrs. Ngo Thi Minh Nguyet	Chief Accountant
Mr. Nguyen Nhu Phi	Head of Supervisory Board, Inf
Mrs. Pham Thi Thanh Tuyen	Member of Supervisory Board
Mr. Cao Xuan Dung	Member of Supervisory Board
Mr. Dang Trong Duc	Administrators

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

7.2 Transaction with Related parties (Continued)

In the period, Transaction with Related parties of the Company including:

Income of the Executive Board, Remuneration of the Board of Management and Supervisory Board, Chief Accountant and other managers.

<u>Full name</u>	<u>Title</u>	<u>In 2021 VND</u>	<u>In 2020 VND</u>
Salary and remuneration of the Board of Management and	Salary and remuneration	2,271,430,001	1,579,282,898
Salary of Board of Directors and others Management	Salary	2,977,759,280	2,339,486,732

Remuneration of the Board of Management

<u>Full name</u>	<u>Title</u>	<u>In 2021 VND</u>	<u>In 2020 VND</u>
Cao Tung Lam	Chairman	240,000,000	240,000,000
Tran Huy Tuong	Management Board Member	184,000,000	120,000,000
Nguyen Cong Khanh	Management Board Member	184,000,000	120,000,000
Nguyen Duc Thang	Management Board Member	184,000,000	120,000,000
Do Nguyen An	Management Board Member	184,000,000	120,000,000
Nguyen Ngoc Diep	Management Board Member	144,000,000	-
Tran Hong Phuc	Management Board Member	144,000,000	-

Remuneration of the Supervisory Board

<u>Full name</u>	<u>Title</u>	<u>In 2021 VND</u>	<u>In 2020 VND</u>
Nguyen Thi Lan	Head of Supervisory Board (To 22/4/2021)	40,000,000	120,000,000
Nguyen Nhu Phi	Supervisory Board Member (From 22/4/2021)	164,000,000	-
Pham Thi Thanh Tuyen	Supervisory Board Member	60,000,000	60,000,000
Cao Xuan Dung	Supervisory Board Member	40,000,000	60,000,000

Income of the Executive Board and Other managers.

<u>Full name</u>	<u>Title</u>	<u>In 2021 VND</u>	<u>In 2020 VND</u>
Cao Tung Lam	Chairman	703,430,001	619,282,898
Tran Hong Phuc	General Director	571,331,516	133,016,327
Tran Huy Tuong	Deputy General Director (To 26/9/2020)	-	373,650,517
Do Nguyen An	Deputy General Director (To 16/4/2020)	424,459,584	377,442,356
Tran Thang Loi	Deputy General Director	424,801,511	366,738,456
Nguyen Hoang Anh	Deputy General Director	396,047,469	-
Nguyen Duc Chinh	Deputy General Director (From 18/5/2020)	-	62,800,000
Hoang Van Dao	Deputy General Director (From 18/5/2020)	-	62,800,000
Le Quoc Tuan	Deputy General Director	435,434,292	365,710,530
Dang Trong Duc	Assistant to the Chairman of the Board of Directors/In charge of governance	288,286,179	225,775,020
Ngo Thi Minh Nguyet	Chief Accountant	437,398,729	371,553,526

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
 For the year ended 31 December 2021

7.2 Transaction with Related parties (Continued)

Transaction with Related parties

Related parties	Relationship	Nature of transaction	In 2021 VND	In 2020 VND
Selling goods			70,623,242,097	49,028,962,991
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	Branch fees and others	1,456,934,796	9,633,603,282
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	Construction and others	26,438,691,132	33,495,198,568
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Subsidiary	Equipment, Office rental and others	4,087,236,648	3,875,335,137
Phuc Hung Electrical Mechanical Joint Stock Company	Subsidiary	Office rental and others	606,269,165	427,565,730
An Phu Hung Business Investment Joint Stock Company	Associated Company	Project assignment and others	38,034,110,356	1,597,260,274
Purchasing goods			71,716,028,117	55,169,654,367
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	Construction	172,225,197	1,015,170,807
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	Purchasing goods, service	19,220,895,836	741,663,427
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Subsidiary	Equipment rental	37,058,348,878	11,750,481,614
Phuc Hung Electrical Mechanical Joint Stock Company	Subsidiary	Construction	13,746,947,765	41,406,358,119
An Phu Hung Business Investment Joint Stock Company	Associated Company	Purchasing service	1,517,610,441	255,980,400

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

7.2 Transaction with Related parties (Continued)

Balances of Related parties

Related parties	Relationship	31/12/2021 VND	01/01/2021 VND
Receivables		135,313,869,976	56,005,918,843
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Subsidiary	5,746,674,346	3,066,426,350
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	1,562,628,276	-
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	25,963,366,082	-
An Phu Hung Business Investment Joint Stock Company	Associated Company	38,042,770,387	14,511,260,274
Phuc Hung Electrical Mechanical Joint Stock Company	Subsidiary	660,467,446	-
Phu Lam Group Joint Stock Company (***)	Subsidiary	63,337,963,439	38,428,232,219
Other receivables		52,595,601,211	137,955,501,764
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	30,030,012,170	96,950,220,338
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	1,200,000,000	-
An Phu Hung Business Investment Joint Stock Company	Associated Company	3,591,780,821	35,442,000,000
Phu Lam Group Joint Stock Company (* Subsidiary		17,773,808,220	5,563,281,426
Trade payables		23,216,328,795	31,310,450,692
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	15,752,863,996	22,291,631,334
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	862,477,664	-
Phuc Hung Construction Equipment Management One Member Limited Liability Company	Subsidiary	4,533,159,697	-
Phuc Hung Electrical Mechanical Joint Stock Company	Subsidiary	2,067,827,438	9,018,819,358
Prepayments from customers		-	11,536,430,245
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	-	11,536,430,245
Other payables		3,000,000,000	2,000,000,000
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	3,000,000,000	2,000,000,000

NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

7.3 Comparative figures

Comparative figures on the balance sheet and related notes are taken from the financial statements for the year ended 31 December 2020 which are audited by CPA VIETNAM Auditing Company Limited - A Member of INPACT.

Preparer

Ha Thi Thu Hoa

Chief Accountant

Ngo Thi Minh Nguyet

Hanoi, March 24, 2022

Chairman

Cao Tung Lam