

PHUC HUNG HOLDINGS CONSTRUCTION JOINT STOCK COMPANY
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31/12/2021

Hanoi, March 2022

TABLE OF CONTENTS

<u>CONTENTS</u>	Page(s)
STATEMENT OF THE EXECUTIVE BOARD	2 - 3
INDEPENDENT AUDITOR'S REPORTS	4 - 5
AUDITED CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheet	6 - 7
Consolidated Income Statement	8
Consolidated Cash Flow Statement	9 - 10
Notes to the Consolidated Financial statements	11 - 44

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 consolidated 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

BOARD OF GENERAL DIRECTORS

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, other than the events described in the Notes to the Consolidated Financial Statements 7.1, 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 consolidated 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 consolidated 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 consolidated 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 Company are followed or not, and all the material differences from these standards are disclosed and explained in the consolidated Financial Statements;
- Design and effectively implement the internal control system in order to ensure that the preparation and presentation of the consolidated Financial Statements are free from material misstatements due to frauds or errors.
- Prepare the consolidated 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 consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the consolidated 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 consolidated 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

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No: 150/2022/BCKTHN-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 consolidated financial statements of Phuc Hung Holdings Construction Joint Stock Company, as prepared on 24 March 2022, set out on page 06 to page 44, including the consolidated Balance sheet as at 31/12/2021, and the consolidated Income Statement, and consolidated Cash flows Statement for the year then ended, and Notes to the consolidated financial statements.

Responsibility of the Executive Board

The Company's Executive Board is responsible for the true and fair preparation and presentation of these consolidated financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for the internal control as the Executive Board determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion of Auditors

In our opinion, the accompanying consolidated 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 consolidated results of its operations and its consolidated 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 consolidated financial statements in Vietnam.



Bui Thi Thuy**Deputy General Director**

Audit Practising Registration Certificate:

0580-2018-137-1

Authorised: 04/2022/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

CONSOLIDATED BALANCE SHEET

As at 31st December, 2021

ASSETS		Code	Note	31/12/2021 VND	01/01/2021 VND
A -	CURRENT ASSETS	100		1,886,012,751,012	1,805,707,015,284
	(100=110+120+130+140+150)				
I.	Cash and cash equivalents	110	5.1	57,871,138,441	84,260,487,289
1.	Cash	111		57,871,138,441	84,260,487,289
II.	Short-term financial investments	120	5.2	1,827,171,376	78,214,514,383
3.	Held-to-maturity investments	123		1,827,171,376	78,214,514,383
III.	Short-term receivables	130		1,195,277,113,716	1,159,355,740,152
1.	Receivables from customers	131	5.3	811,175,712,622	942,535,715,726
2.	Advances to Suppliers	132	5.4	133,046,135,874	81,834,109,887
5.	Receivables on short-term loans	135	5.5	-	5,649,345,899
6.	Other short-term receivables	136	5.6	257,258,160,756	135,239,464,176
7.	Provision for doubtful debts	137	5.7	(6,202,895,536)	(5,902,895,536)
IV.	Inventories	140		609,100,193,552	468,343,819,613
1.	Inventories	141	5.8	609,100,193,552	468,343,819,613
V.	Other current assets	150		21,937,133,927	15,532,453,847
1.	Short-term prepaid expenses	151	5.9	1,414,211,944	3,989,207,664
2.	Value added tax is deducted	152		20,511,778,748	2,713,223,673
3.	Tax and amount receivables from State budget	153	5.17	11,143,235	8,830,022,510
B -	NON-CURRENT ASSETS	200		576,589,942,052	224,969,916,830
	(200=210+220+240+250+260)				
I.	Long-term receivables	210		-	55,560,928,600
5.	Long-term loans receivables	215	5.5	-	46,960,828,600
6.	Other long-term receivables	216	5.6	-	8,600,100,000
II.	Fixed assets	220		345,493,115,971	50,156,955,674
1.	Tangible fixed assets	221	5.10	344,936,967,954	49,884,735,789
	- Historical Cost	222		385,827,091,116	80,580,144,604
	- Accumulated depreciation	223		(40,890,123,162)	(30,695,408,815)
3.	Intangible fixed assets	227	5.11	556,148,017	272,219,885
	- Historical Cost	228		1,291,205,600	901,705,600
	- Accumulated amortization	229		(735,057,583)	(629,485,715)
III.	Investment real estate	230	5.12	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		4,442,931,724	4,588,167,786
2.	Construction in progress	242	5.13	4,442,931,724	4,588,167,786
V.	Long-term financial investments	250		139,485,974,238	59,831,365,552
2.	Investment in the associated and joint-venture companies	252	5.14	118,711,332,238	39,906,723,552
3.	Other long-term investments	253	5.14	5,874,642,000	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		13,644,916,293	43,903,378,670
1.	Long-term prepaid expenses	261	5.9	13,644,916,293	42,603,391,670
5.	Goodwill	269		-	1,299,987,000
	TOTAL ASSETS	270		2,462,602,693,064	2,030,676,932,114
	(270 = 100+200)				

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31st December, 2021

RESOURCES	Code	Note	31/12/2021	01/01/2021
			VND	VND
C- LIABILITIES (300=310+330)	300		1,766,692,561,517	1,630,970,722,776
I. Current liabilities	310		1,604,292,561,517	1,609,698,559,196
1. Trade account payables	311	5.15	498,520,499,713	426,068,041,693
2. Advances from customers	312	5.16	279,055,239,006	73,617,690,909
3. Taxes and other payables to State budget	313	5.17	2,610,176,947	8,875,988,735
4. Payables to employees	314		10,195,323,058	6,812,951,402
5. Short-term accrued expenses	315		303,300,000	42,087,843,604
8. Short-term unrealized revenue	318	5.18	-	624,075,745
9. Other short-term payables	319	5.19	34,147,149,348	72,152,461,615
10. Short-term loans and liabilities	320	5.20	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	401,864,299
II. Long-term liabilities	330		162,400,000,000	21,272,163,580
7. Other long-term liabilities	337	5.19	-	124,623,534
8. Long-term borrowings and finance leasing liabilities	338	5.20	162,400,000,000	21,147,540,046
D- OWNERS' EQUITY (400 = 410+430)	400		695,910,131,547	399,706,209,338
I- Owners' equity	410	5.21	695,910,131,547	399,706,209,338
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		88,249,653,673	56,357,263,677
- Retained earnings of previous period	421a		33,823,238,679	51,433,316,642
- Retained earnings of this period	421b		54,426,414,994	4,923,947,035
13 Non-controlling shareholder interests	429		20,273,361,560	35,075,297,028
TOTAL RESOURCES (440 = 300+400)	440		2,462,602,693,064	2,030,676,932,114

Hanoi, March 24, 2022

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Chairman



Cao Tung Lam

CONSOLIDATED 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	934,849,322,567	1,536,837,819,407
2. Less deductions	02	6.1	-	941,349
3. Net sales of goods and services (10 = 01-02)	10	6.1	934,849,322,567	1,536,836,878,058
4. Cost of goods sold	11	6.2	847,907,792,920	1,378,239,837,952
5. Gross profit from sales of goods and services (20 = 10-11)	20		86,941,529,647	158,597,040,106
6. Financial income	21	6.3	62,556,281,341	9,214,816,440
7. Financial expenses	22	6.4	45,808,483,574	70,151,781,811
<i>In which: Interest expenses</i>	23		43,828,608,917	46,607,197,024
8. The share of profit (loss) in the associate, Venture	24		2,523,830,659	2,584,828,168
9. Selling expenses	25	6.5	946,272,634	20,356,344,912
10. General and administration expenses	26	6.5	42,702,515,175	63,835,385,649
11. Operating profit {30 = 20+(21-22)-(25+26)}	30		62,564,370,264	16,053,172,342
12. Other income	31	6.6	13,979,430,273	11,591,945,538
13. Other expenses	32	6.6	7,621,146,972	11,843,450,166
14. Profit from other activities (40 = 31-32)	40	6.6	6,358,283,301	(251,504,628)
15. Accounting profit before tax (50 = 30+40+45)	50		68,922,653,565	15,801,667,714
16. Current corporate income tax	51	6.7	14,052,747,597	6,018,156,765
17. Deferred corporate income tax	52		-	-
18. Profit after tax (60 = 50-51-52)	60		54,869,905,968	9,783,510,949
19. Profit after tax of Parent's company shareholder	61		54,426,414,994	4,923,947,035
20. Profit after tax of minority shareholder without voting right	62		443,490,974	4,859,563,914
21. Earnings per share	70	6.8	2,102.63	191.23

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Hanoi, March 24, 2022

Chairman



Cao Tung Lam

CONSOLIDATED 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		68,922,653,565	15,801,667,714
2. Adjustments for				
- Depreciation and amortization	02		7,452,554,863	7,347,965,839
- Provisions	03		(216,392,187)	(8,983,012,747)
- Gain, loss from investment activities	05		(24,458,624,271)	(7,658,275,589)
- 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		95,528,800,887	53,824,836,667
- (Increase) decrease receivables	09		(141,374,412,001)	237,184,979,924
- (Increase) decrease inventories	10		(140,756,373,939)	188,623,920,169
- Increase (decrease) accounts payable	11		10,027,443,672	(128,193,360,111)
- (Increase) decrease prepaid expenses	12		(5,572,859,475)	(8,077,693,391)
- Interest paid	14		(43,828,608,917)	(46,607,197,024)
- Corporate income tax paid	15		(11,591,541,143)	(7,147,140,286)
- Other cash inflows	16		3,300,000	-
- Other cash outflows	17		-	(1,825,600,000)
Net cash from operating activities	20		(237,564,250,916)	287,782,745,949
II. Cash flows from investing activities				
1. Payments for acquisition, construction of fixed assets and other long-term assets	21		(67,867,914,037)	(13,315,900,599)
2. Proceeds from disposal or sale of fixed assets and other long-term assets	22		1,318,181,818	3,530,523,128
3. Payment for lending, purchasing debt instruments of other entities	23		(1,125,718,159)	(176,622,514,169)
4. Recovery of loans, reselling debt instruments of other entities	24		5,000,000,000	61,926,492,256
5. Investments in other entities	25		(42,800,000,000)	-
6. Proceed from investment into other entities	26		86,714,000,000	-
7. Interest income, dividends received	27		29,813,618,423	2,953,267,741
Net cashflow from investing activities	30		11,052,168,045	(121,528,131,643)
III. Cash flows from financing activities				
1. Proceeds from the issuance of shares and receipt owners' contributed capital	31		258,518,097,681	-
3. Proceeds from borrowings	33		1,590,483,626,150	1,036,863,859,966
4. Payment to settle debts	34		(1,648,714,241,758)	(1,218,673,275,143)
6. Dividends and profits paid to the owner	36		(164,748,050)	(25,676,129,275)
Net cashflow from financing activities	40		200,122,734,023	(207,485,544,452)
Net cashflow during the period (50 = 20+30+40)	50		(26,389,348,848)	(41,230,930,147)
Cash and cash equivalents at beginning of year	60		84,260,487,289	125,491,417,435
Cash and cash equivalents at end of year (70 = 50+60+61)	70	5.1	57,871,138,441	84,260,487,289

Hanoi, March 24, 2022

Preparer

Chief Accountant

Chairman



Ha Thi Thu Hoa

Ngo Thi Minh Nguyet

Cao Tung Lam

NOTES TO THE CONSOLIDATED 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 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 and subsidiaries' employees as at 31/12/2021: 563 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 CONSOLIDATED 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 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 consolidated financial statements

The Company 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 consolidated financial statements are comparable.

NOTES TO THE CONSOLIDATED 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 consolidated Financial Statements for the year ended 31 December 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statement

The Company's consolidated financial statements are prepared in accordance with Circular 202/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance on guiding methods of preparation and presentation of consolidated financial statements, specifically:

The consolidated financial statements include the financial statements of the Office of the Company and the financial statements of companies controlled by the Company (subsidiaries) prepared for the year ended 31/12/2021. This control is achieved when the Company has the power to govern the financial and operating policies of the investee companies so as to obtain benefits from their activities.

The results of subsidiaries acquired or sold during the year are included in the Consolidated Income Statement from the date of acquisition or until the date of sale of the investments in that Subsidiary.

Where necessary, the financial statements of the Subsidiaries are adjusted so that the accounting policies applied at the Company and the Subsidiaries are the same.

All transactions and balances between Companies within the same group are eliminated upon consolidation of the Financial Statements.

The interest of non-controlling shareholders in the net assets of the Consolidated Subsidiary is determined as a separate entry from the equity portion of the shareholders of the Parent Company. Non-controlling interests include the amount of non-controlling interests at the date of the initial business combination and the non-controlling interest's share in changes in total equity as of the date of the business combination from the date of the business combination. Loss incurred at a Subsidiary must be distributed proportionally to the share of the non-controlling shareholder, even if such loss is greater than the non-controlling shareholder's share of the subsidiary's net assets.

The consolidated financial statements are consolidated on the basis of the consolidated financial statements for the year of the parent company - Phuc Hung Holdings Construction Joint Stock Company, the Company's subsidiaries are Phuc Hung Construction Equipment Management Co., Ltd; Phuc Hung Electromechanical Joint Stock Company, PHK Investment Company Limited, Phu Lam Joint Stock Company.

Accounting estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash comprises cash on hand, bank deposits.

Cash equivalents comprise short-term deposits and highly liquid investments with an original maturity of less than 3 months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

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.

Financial investments

Held to maturity investments

Held to maturity investments are those that the Company has intention and ability to hold until maturity. Held to maturity investments includes: term bank deposits with original maturities of more than 3 months (including bills and promissory notes), held-to-maturity loans for the purpose of earning periodic interest and other held-to-maturity investments.

Held-to-maturity investments are stated at cost and measured at fair value based on the recoverability of the investment.

All investments classified as monetary items denominated in foreign currencies will be revalued at actual exchange rates at the date of the Consolidated Financial Statements.

Other investments

- 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 (if any).

Allowance for the loss of investments

Allowance for losses of investments in 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.

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 weighted average 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. Depreciation period is from 3 to 5 years.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

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.

Unrealized revenues

Unrealized revenue includes: Revenue received in advance (such as: the amount collected in advance from customers in many accounting years for property and infrastructure leasing). Periodically, the Company calculates, determines and recognizes the unrealized revenue in revenue in the year, suitable for the rental period.

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 CONSOLIDATED 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 year.

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 CONSOLIDATED 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 CONSOLIDATED 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.

Earnings per shares

Basic earnings per shares are calculated by dividing net profit (loss) after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Segment reporting

Regarding the division by business field: The Company distinguishes 02 (two) divisions: real estate business and other activities; construction activities. However, in the year, revenue and profit from real estate business and other activities accounted for less than 10% of revenue and profit in the year. About the division by geographical area: The company operates in the only geographical area which is 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 CONSOLIDATED BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2021 VND	01/01/2021 VND
Cash on hand	3,727,502,080	2,662,681,923
Cash at bank	54,143,636,361	81,597,805,366
Total	57,871,138,441	84,260,487,289

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	78,214,514,383	78,214,514,383
- Termly deposits over 3 months	1,827,171,376	1,827,171,376	78,214,514,383	78,214,514,383
- Term deposit at Vietnam Prosperity Joint Stock Commercial Bank	-	-	49,559,061,166	49,559,061,166
- Bank for Investment and Development of Vietnam	1,827,171,376	1,827,171,376	28,655,453,217	28,655,453,217
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	98,114,514,383	98,114,514,383

(*) 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 CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.3 Short-term receivables from customer

	31/12/2021 VND	01/01/2021 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
Công ty Cổ phần Phú Lâm	-	-
Viet Nam Motors Corporation	3,506,767,200	36,161,589,383
Others (*)	369,853,337,791	410,358,614,465
Total	811,175,712,622	942,535,715,726
	<i>65,568,764,745</i>	<i>14,511,260,274</i>

In which receivables from related parties are presented in Note 7.2

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

5.4 Advances for Suppliers

	31/12/2021 VND	01/01/2021 VND
Hung Viet - UDIC Construction Investment Joint Stock Company	-	245,254,256
Công ty Cổ phần Tập đoàn Đua FAT	-	5,422,143,082
Lam Anh Development Trading Company Limited	11,243,552,397	11,743,552,397
TKB Viet Nam Joint Stock Company	28,861,978,000	-
Rang Dong Tourism And Service Joint Stock Company	-	3,676,406,023
Others (*)	92,940,605,477	60,746,754,129
Total	133,046,135,874	81,834,109,887

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

5.5 Short-term loan receivables

	31/12/2021 VND	01/01/2021 VND
Short-term	-	5,649,345,899
Phu Lam Group Joint Stock Company Manufacturing and Trading Co., Ltd	-	5,000,000,000
Beautiful interior space Quynh Anh	-	526,242,284
Mr Ho Sy Ha	-	123,103,615
Long-term	-	46,960,828,600
PHHO Business Investment Co., Ltd	-	46,960,828,600
Total	-	52,610,174,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.6 Short-term other receivables

	31/12/2021 (VND)		01/01/2021 (VND)	
	Book value	Provision cost	Book value	Provision cost
Other short-term	257,258,160,756	-	135,239,464,176	-
- 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	-
- Phu Lam Group Joint Stock Company	-	-	5,563,281,426	-
- My Xuan Ha Noi Housing Joint Stock Company	30,030,012,170	-	-	-
- An Phu Hung Business Investment Joint Stock Company	3,591,780,821	-	35,442,000,000	-
- Others (*)	115,993,092,200	-	24,740,675,188	-
- Advance	100,647,108,532	-	62,304,204,602	-
- Collateral	1,296,167,033	-	2,000,000	-
Long-term	-	-	8,600,100,000	-
- Collateral	-	-	8,600,100,000	-
Total	257,258,160,756	-	143,839,564,176	-
<i>In which, Receivables of related parties are presented in Note 7.2</i>	<i>34,821,792,991</i>		<i>35,442,000,000</i>	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.7 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	414,116,000	204,973,779	209,142,221	414,116,000	204,973,779	209,142,221
Budget- Department of Science and Technology						
Hanoi						
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

PHUC HUNG HOLDINGS CONSTRUCTION JSC

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

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December 22, 2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.8 Inventories

	31/12/2021 (VND)		01/01/2021 (VND)	
	Cost	Provision cost	Cost	Provision cost
Raw materials	76,914,643,127	-	-	-
Instrument & tools	19,224,547,541	-	19,731,326,624	-
Cost for work in process (*)	488,049,631,991	-	402,614,992,524	-
Goods	24,911,370,893	-	45,997,500,465	-
Total	609,100,193,552	-	468,343,819,613	-

***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	234,932,371,521	234,932,371,521	34,509,430,016	34,509,430,016
Total	488,049,631,991	488,049,631,991	402,614,992,524	402,614,992,524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.9 Prepaid expenses

	31/12/2021	01/01/2021
	VND	VND
Short-term	1,414,211,944	3,989,207,664
Tools and equipment	185,492,372	3,604,461,224
Cost of the Florence project	-	276,724,513
Insurance costs	94,125,588	93,071,927
Others	1,134,593,984	14,950,000
Long-term	13,644,916,293	42,603,391,670
Tools and equipment	12,605,505,766	14,453,637,997
Cost of the Florence project	-	27,015,851,280
Warehouse relocation costs	1,039,410,527	1,133,902,393
Total	15,059,128,237	46,592,599,334

PHUCHUNG HOLDINGS CONSTRUCTION JSC

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 CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.10 Tangible Fixed Assets

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Fixed Assets	Other Assets	Total
<i>Unit: VND</i>							
HISTORICAL COST							
As at 01/01/2021	32,020,892,080	26,254,382,072	21,110,177,795	1,194,692,657	-	-	80,580,144,604
Increase	188,358,271,471	55,514,804,154	5,026,629,089	225,503,258	73,120,825,225	-	322,246,033,197
New purchase	-	510,000,000	2,924,021,818	86,500,000	-	-	3,520,521,818
Increase due to consolidation	188,358,271,471	45,257,538,622	300,000,000	139,003,258	73,120,825,225	-	307,175,638,576
Transfer, reclassify	-	9,747,265,532	1,802,607,271	-	-	-	11,549,872,803
Decrease	3,559,218,073	1,802,607,271	11,531,408,706	105,852,635	-	-	16,999,086,685
Disposal	-	-	4,070,171,615	-	-	-	4,070,171,615
Transfer, reclassify	-	1,802,607,271	-	-	-	-	1,802,607,271
Decrease due to consolidation	3,559,218,073	-	7,461,237,091	105,852,635	-	-	11,126,307,799
As at 31/12/2021	216,819,945,478	79,966,578,955	14,605,398,178	1,314,343,280	73,120,825,225	-	385,827,091,116
ACCUMULATED DEPRECIATION							
As at 01/01/2021	6,452,251,997	14,345,141,625	9,385,340,742	512,674,451	-	-	30,695,408,815
Increase	5,440,643,137	6,055,379,550	1,486,257,322	124,842,888	1,302,151,683	-	14,409,274,580
Depreciation for the year	2,086,317,755	1,951,956,147	1,432,832,664	122,367,488	-	-	5,593,474,054
Increase due to consolidation	3,354,325,382	1,611,912,334	53,424,658	2,475,400	1,302,151,683	-	6,324,289,457
Transfer, reclassify	-	2,491,511,069	-	-	-	-	2,491,511,069
Decrease	74,150,376	-	4,042,478,987	97,930,870	-	-	4,214,560,233
Disposal	-	-	2,826,500,353	-	-	-	2,826,500,353
Decrease due to consolidation	74,150,376	-	1,215,978,634	97,930,870	-	-	1,388,059,880
As at 31/12/2021	11,818,744,758	20,400,521,175	6,829,119,077	539,586,469	1,302,151,683	-	40,890,123,162
NET BOOK VALUE							
As at 01/01/2021	25,568,640,083	11,909,240,447	11,724,837,053	682,018,206	-	-	49,884,735,789
As at 31/12/2021	205,001,200,720	59,566,057,780	7,776,279,101	774,756,811	71,818,673,542	-	344,936,967,954

Net book value of tangible fixed assets used to secure bank loans as at 31/12/2021 is 27,889,181,842 VND (As at 01/01/2021 is 14,349,539,638 VND).

History cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2021 is 3,505,389,940 VND (As at 01/01/2021 is 4,523,592,726 VND).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.11 Intangible Fixed Assets

Unit: VND

	Software	Total
Historical Cost		
As at 01/01/2021	901,705,600	901,705,600
Increase	389,500,000	389,500,000
Increase due to consolidation	389,500,000	389,500,000
Decrease	-	-
Decrease due to consolidation	-	-
As at 31/12/2021	<u>1,291,205,600</u>	<u>1,291,205,600</u>
ACCUMULATED DEPRECIATION		
As at 01/01/2021	629,485,715	629,485,715
Increase	105,571,868	105,571,868
Depreciation for the year	105,571,868	105,571,868
Decrease	-	-
As at 31/12/2021	<u>735,057,583</u>	<u>735,057,583</u>
NET BOOK VALUE		
As at 01/01/2021	<u>272,219,885</u>	<u>272,219,885</u>
As at 31/12/2021	<u>556,148,017</u>	<u>556,148,017</u>

5.12 Investment property

Unit: VND

Items	As at 01/01/2021	Increase	Decrease	As at 31/12/2021
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 DEPRECIATION	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
- Land use rights	10,929,120,548	62,593,883,278	-	73,523,003,826
- House	-	-	-	-

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.

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.13 Construction in progress

	31/12/2021	01/01/2021
	VND	VND
Cost of building software	1,326,880,000	1,326,880,000
Cost of building and perfecting modern and future-oriented governance regulations	130,909,091	130,909,091
Construction cost of Luong Son warehouse project	2,965,342,633	2,829,074,942
Construction cost of rural residential area Xom Duyen, Ky Phu commune, Dai Tu district, Thai Nguyen province	-	281,503,753
Others	19,800,000	19,800,000
Total	4,442,931,724	4,588,167,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.14 Financial Investments

	Ownership Ratio	Voting Ratio	Rate				
			31/12/2021		01/01/2021		
			Cost	Reasonable value Provision	Cost	Reasonable value Provision	
Investment in the associated and joint-venture companies							
An Phu Hung Business Investment Joint Stock Company	40.00%	40.00%	118,711,332,238	-	39,906,723,552	-	-
Phuc Hung No.7 Investment Construction Joint Stock Company	40.00%	40.00%	83,532,165,964	-	28,181,401,033	-	-
My Xuan Ha Noi Housing Joint Stock Company	19.75%	37.00%	13,406,593,863	-	11,725,322,520	-	-
			21,772,572,411	-	-	-	-
Other Investments			5,874,642,000	-	24,642,000	-	-
Joint stock Commercial Bank for Investment and Development of Viet Nam			24,642,000	-	24,642,000	-	-
Dien Tho Clean Water Factory Co., Ltd	16.25%	16.25%	5,850,000,000	-	-	-	-
Total			124,585,974,238	-	39,931,365,552	-	-

(*): 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.15 Trade Payables

	31/12/2021 (VND)		01/01/2021 (VND)	
	Book value	Recoverable value	Book value	Recoverable value
Short-term	498,520,499,713	498,520,499,713	426,068,041,693	426,068,041,693
Hanoi Steel and Commercial Joint Stock Company	-	-	6,298,010,936	6,298,010,936
Tan Hoi Investment and Technology Joint Stock Company	-	-	2786 179278	2786 179278
Fountech Joint Stock Company	13,150,113,165	13,150,113,165	5,098,920,939	5,098,920,939
Viet Tiep Investment Building Development Joint Stock Company	8,294,265,100	8,294,265,100	13,102,870,468	13,102,870,468
Long Hung Investment and Construction Joint Stock Company	2,275,115,985	2,275,115,985	3,275,115,985	3,275,115,985
An Nam Technology And Construction Joint Stock Company	769,593,848	769,593,848	1,725,239,970	1,725,239,970
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
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 JSC	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 (*)	407,192,223,756	407,192,223,756	300,774,099,534	300,774,099,534
Total	498,520,499,713	498,520,499,713	426,068,041,693	426,068,041,693
	16,615,341,660	16,615,341,660	22,291,631,334	22,291,631,334

In which, payables to related parties are presented Note 7.2

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.16 Prepayment of customers

	31/12/2021	01/01/2021
	VND	VND
Viet Nam Green Architecture Investment And Construction Joint Stock Company	41,363,643,513	-
Ecopark Corporation Joint Stock Company	-	1,584,497,519
Ha Thanh Co., Ltd	-	28,444,220,000
General Department of Logistics	47,346,897,040	-
HBI Joint Stock Company	29,672,733,473	-
Others	160,671,964,980	43,588,973,390
Total	279,055,239,006	73,617,690,909

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.17 Taxes and payables to State Treasury

	01/01/2021	Amount to be paid	Amount paid	31/12/2021
Payables	8,875,988,735	25,388,941,664	31,654,753,452	2,610,176,947
Value Added Tax (VAT)	3,006,860,068	13,129,348,788	16,081,292,679	54,916,177
<i>Incurring in the year</i>	877,618,327	13,129,348,788	13,952,050,938	54,916,177
<i>Decrease due to consolidation</i>	2,129,241,741	-	2,129,241,741	-
Import and export tax	-	202,473,128	202,473,128	-
Corporate income tax	5,018,156,765	8,501,974,183	11,591,541,143	1,928,589,805
<i>Incurring in the year</i>	-	8,084,464,703	6,155,874,898	1,928,589,805
<i>Decrease due to consolidation</i>	5,018,156,765	417,509,480	5,435,666,245	-
Personal income tax	850,971,902	1,026,935,701	1,521,264,788	356,642,815
<i>Incurring in the year</i>	825,216,286	1,026,935,701	1,495,509,172	356,642,815
<i>Decrease due to consolidation</i>	25,755,616	-	25,755,616	-
Resource tax	-	2,499,565,774	2,229,537,624	270,028,150
Property tax, land rent	-	16,644,090	16,644,090	-
Fee & charge & other payables	-	12,000,000	12,000,000	-
Receivables	8,830,022,510	8,827,267,510	8,388,235	11,143,235
Value Added Tax (VAT)	279,249,096	276,494,096	-	2,755,000
Corporate income tax	5,550,773,414	5,550,773,414	-	-
Personal income tax	-	-	8,388,235	8,388,235
Property tax, land rent (decrease due to consolidation)	3,000,000,000	3,000,000,000	-	-

Unit: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.18 Short-term unearned revenues

	31/12/2021	01/01/2021
	VND	VND
Short-term		
Revenue received in advance from leasing premises at the Florence building	-	624,075,745
Total	-	624,075,745

5.19 Other Payables

	31/12/2021	01/01/2021
	VND	VND
Short-term	34,147,149,348	72,152,461,615
Trade union fee	764,389,429	1,636,980,643
Social insurance	138,358,563	67,380,690
Health Insurance	9,255,310	12,341,617
Unemployment insurance	2,511,948	5,284,760
Short-term deposits received	-	412,698,722
Other payables	33,232,634,098	70,017,775,183
<i>Dividend</i>	<i>536,331,130</i>	<i>701,079,180</i>
<i>Apartment maintenance fee</i>	<i>-</i>	<i>26,949,811,787</i>
<i>5% deposit interest - Payable to customers</i> <i>buy apartments (maintenance fees for apartments)</i> <i>clearance)</i>	<i>-</i>	<i>1,946,085,692</i> <i>8,500,000,000</i>
<i>Others</i>	<i>32,696,302,968</i>	<i>31,920,798,524</i>
Long-term	-	124,623,534
Long-term deposits received	-	124,623,534
Tổng	34,147,149,348	72,277,085,149
<i>In which other payable from buyers from related parties are</i> <i>presented in Note 7.2</i>	<i>3,000,000,000</i>	<i>-</i>

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

PHUC HUNG HOLDINGS CONSTRUCTION JSC

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

Form B 09 - DN
Issued under Circular No. 202/2014/TT- BTC
December 22, 2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.20 Borrowings and Finance lease liabilities

	31/12/2021 (VND)			01/01/2021 (VND)			
	Cost	Amount can be paid		Addition	Deduction	Cost	Amount can be paid
Short-term	777,744,468,481	777,744,468,481		1,438,255,031,441	1,637,738,107,003	977,227,544,043	977,227,544,043
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	944,210,678,918
Borrow individuals	288,800,000	288,800,000		-	16,000,000,000	16,288,800,000	16,288,800,000
Borrowing due to maturity							
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	16,728,065,125
Long-term	162,400,000,000	162,400,000,000		162,400,000,000	21,147,540,046	21,147,540,046	21,147,540,046
Bank for Investment and Development of Vietnam- Dong Do Branch	-	-		-	19,248,553,930	19,248,553,930	19,248,553,930
Public Bank Vietnam Limited - Ha Noi Branch	-	-		-	1,331,650,116	1,331,650,116	1,331,650,116
Military Commercial Joint Stock Bank - Dien Bien Phu Branch	-	-		-	567,336,000	567,336,000	567,336,000
Bank for Investment and Development of Vietnam- Dong Do Branch (Increase due to consolidation) (3)	157,400,000,000	157,400,000,000		157,400,000,000	-	-	-
My Xuan Ha Noi Housing Joint Stock Company (Increase due to consolidation) (4)	5,000,000,000	5,000,000,000		5,000,000,000	-	-	-
Total	940,144,468,481	940,144,468,481		1,600,655,031,441	1,658,885,647,049	998,375,084,089	998,375,084,089
<i>In which, Loans of related parties are presented in Note 7.2</i>	<i>5,000,000,000</i>	<i>5,000,000,000</i>					

PHUC HUNG HOLDINGS CONSTRUCTION JSC

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Form B 09 - DN
Issued under Circular No. 202/2014/TT - BTC
December 22, 2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.20 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.

(3): Credit contract No. 01/2020/3558496/HDTD dated August 25, 2020 between Joint Stock Commercial Bank for Investment and Development of Vietnam - Dong Do Branch and Phu Lam Joint Stock Company; Loan amount: 160,000,000,000 VND; The loan term is 13 years from the date of first disbursement; The loan interest rate is fixed at 8%/year for the first 12 months from the time of disbursement, the loan interest rate after the preferential period is determined by the base interest rate (residential savings interest rate that pays interest after 12 months) according to BIDV's notice at the time of adding a margin of 4.0%, adjusted every 6 months on the first day of Quarter I and Quarter III of each year in accordance with BIDV's regulations from time to time; Purpose of borrowing for Dak sor 2 hydropower project; security measures performed under the mortgage-guaranteed contract.

(4): Contract No. 125/2020/MXH-PL dated 12/5/2020 between My Xuan Hanoi House Joint Stock Company and Phu Lam Joint Stock Company, Borrowing amount is 5,000,000,000 VND; Interest rate 10%/year; the purpose of use in investing in the construction project of Dak Sor 2 Hydropower Plant; The maximum loan term is 15 years from May 12, 2020.

PHUC HUNG HOLDINGS CONSTRUCTION JSC

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

Form B 09 - DN
Issued under Circular No. 202/2014/TT- BTC
December 22, 2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.21 Owners' Equity**a. Changes of owners' equity**

Unit: VND

	Share capital	Share premium	Investment and Development fund	Retained earnings	Non controlled interest	Total
As at 01/01/2020	257,482,600,000	37,791,048,633	8,971,310,654	82,964,148,272	71,752,746,389	458,961,853,948
Increase capital contribution to subsidiaries	-	-	-	-	4,500,000,000	4,500,000,000
Gain in this year	-	-	-	4,923,947,035	4,859,563,914	9,783,510,949
Appropriated funds development	-	-	5,000,000,000	(5,000,000,000)	-	-
Payment of dividends by cash	-	-	-	(25,748,260,000)	-	(25,748,260,000)
Appropriated bonus funds	-	-	-	(1,500,000,000)	-	(1,500,000,000)
Others	-	-	-	717,428,370	-	717,428,370
Consolidation Adjustment (PH7 Company becomes an affiliate)	-	-	(971,310,654)	-	(16,866,813,275)	(17,838,123,929)
Consolidation adjustment (My Xuan Company reduced capital)	-	-	-	-	(29,170,200,000)	(29,170,200,000)
As at 31/12/2020	257,482,600,000	37,791,048,633	13,000,000,000	56,357,263,677	35,075,297,028	399,706,209,338
As at 01/01/2021	257,482,600,000	37,791,048,633	13,000,000,000	56,357,263,677	35,075,297,028	399,706,209,338
Increase capital (i)	228,741,300,000	29,776,797,681	-	-	-	258,518,097,681
Gain in this year	-	-	-	54,426,414,994	443,490,974	54,869,905,968
Payment of dividends by shares (i)	20,595,370,000	-	-	(20,595,370,000)	-	-
Consolidation adjustment (My Xuan Company becomes an affiliate)	-	-	-	-	-	-
Profit distribution Affiliate company	-	-	-	(2,042,913,065)	-	(2,042,913,065)
Reducing divestment of Subsidiaries	-	-	-	104,258,067	(34,008,077,051)	(33,903,818,984)
Increase due to purchase of subsidiary	-	-	-	-	18,762,650,609	18,762,650,609
As at 31/12/2021	506,819,270,000	67,567,846,314	13,000,000,000	88,249,653,673	20,273,361,560	695,910,131,547

PHUC HUNG HOLDINGS CONSTRUCTION JSC

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Form B 09 - DN
Issued under Circular No. 202/2014/TT- BTC
December 22, 2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.21 Owner's Equity (Continued)

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-DHDCD 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-HDQT and NQ24/2021/PHC-HDQT); 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-HDQT).

b. Details of owners' equity

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

5.21 Owner's Equity (Continued)

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

	In 2021 VND	In 2020 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 decrease in the period	-	-
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 Shares	01/01/2021 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 CONSOLIDATED INCOME STATEMENT

6.1 Net revenue from sales of goods and provision of services

	In 2021 VND	In 2020 VND
Sale of constructions and project development contracts	841,056,568,638	1,187,021,228,242
Sales of goods and services	93,352,541,223	75,210,611,938
Sales of real estate business	440,212,706	274,605,979,227
Total	934,849,322,567	1,536,837,819,407
The deduction from revenue		
Returned goods	-	941,349
Total	-	941,349
Net Revenue		
Sales of constructions and project development contracts	841,056,568,638	1,187,020,286,893
Sales of goods and services	93,352,541,223	75,210,611,938
Sales of real estate business	440,212,706	274,605,979,227
Total	934,849,322,567	1,536,836,878,058
<i>In which revenue from related parties is presented in Note 7.2</i>	<i>73,636,314,540</i>	<i>44,726,062,124</i>

NOTES TO THE CONSOLIDATED 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 and project development contracts	770,174,210,316	1,109,873,731,926
Cost of goods and services	76,831,839,367	49,757,310,799
Cost of real estate business	901,743,237	218,608,795,227
Total	847,907,792,920	1,378,239,837,952
<i>In which Cost from related parties is presented in Note 7.2</i>	<i>20,910,731,474</i>	<i>2,012,814,634</i>

6.3 Financial income

	In 2021 VND	In 2020 VND
Interest income, loan	5,434,842,915	6,770,760,229
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	-
Bond interest	1,338,400,000	-
Late payment interest	37,983,038,426	2,444,056,211
Total	62,556,281,341	9,214,816,440
<i>In which Interest income from related parties is presented in Note 7.2</i>	<i>2,800,000,000</i>	<i>-</i>

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	1,149,988,500	17,999,820,000
Others	829,886,157	5,544,764,787
Total	45,808,483,574	70,151,781,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

6.5 Selling expenses and General and administration expenses

	In 2021 VND	In 2020 VND
Selling expenses	946,272,634	20,356,344,912
Outsourcing expense	946,272,634	19,759,546,077
Other expenses in cash	-	596,798,835
General administration expenses	42,702,515,175	63,835,385,649
Employee expenses	24,522,992,254	30,003,199,471
Materials expenses	-	35,248,217
Office supplies expenses	1,831,474,060	5,945,285,316
Depreciation expenses	4,648,359,929	4,687,314,542
Tax charges and fees	74,065,104	85,090,292
Provision cost	300,000,000	500,000,000
Outsourcing expense	995,871,409	3,371,740,907
Other expenses in cash	10,179,753,919	19,207,506,904
Allocation of goodwill	149,998,500	-
Total	43,648,787,809	84,191,730,561

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	1,325,145,804	853,504,947
Income from cheap buying Subsidiaries	4,650,602,435	
Commission fees for housing brokerage	-	2,970,958,635
Compensation cost for Long Toan project	-	371,685,600
Income from scaffolding rental	-	2,906,774,525
Interest on late payment of apartment purchase	-	1,245,305,244
Provide utilities for contractors at construction sites	2,099,901,145	
Collect fines in the range of dong, compensate for deviations	920,085,223	-
Others	4,983,695,666	3,243,716,587
Total	13,979,430,273	11,591,945,538
Other Expense		
Expenses for liquidation of fixed assets, tools, and equipment rental	1,439,764,448	2,410,045,798
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
Depreciation expense exceeds 1.6 billion dong	139,744,000	279,488,001
Warranty of works	398,055,403	-
Expenditures for providing construction facilities	966,380,380	-
Remuneration of the Board of Management	87,500,000	-
Expenses for payment of breach of contract, compensation for loss of materials	923,866,194	-
Others	3,665,836,547	3,379,069,895
Total	7,621,146,972	11,843,450,166
Other profit	6,358,283,301	(251,504,628)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

6.7 Current corporate income tax expense

	In 2021 VND	In 2020 VND
CIT expenses calculated on income taxable for the current year	14,052,747,597	6,018,156,765
Total	14,052,747,597	6,018,156,765

6.8 Basic earnings per share

	Năm 2021	Năm 2020
Profit after corporate income tax	54,869,905,968	9,783,510,949
Non-controlling shareholder interests	443,490,974	4,859,563,914
<i>Increase</i>	-	-
<i>Decrease</i>	-	-
Profit / Loss distributable to common shareholders	54,426,414,994	4,923,947,035
Average quantity of outstanding common shares	25,884,883	25,748,260
Basic earnings per shares (VND/ share)	2,102.63	191.23

(i): As at December 31, 2021, the Company has not reliably estimated the amount of profit in 2021 that can be allocated to the Bonus, Welfare and Bonus Fund for the Executive Board. If the Company deducts the Bonus, Welfare and Executive Board bonus in 2021, the net profit attributable to shareholders and basic earnings per share will be reduced.

6.10 Production and business expenses by factors

	In 2021 VND	In 2020 VND
Raw material expenses	342,038,587,671	980,643,466,416
Employee expenses	60,050,548,528	107,548,517,641
Amortization and Depreciation expenses	7,732,824,468	7,347,646,352
Outsourcing expenses	605,402,420,692	545,130,426,740
Other cash expenses	66,526,680,795	121,851,745,385
Provision cost	300,000,000	500,000,000
Total	1,082,051,062,154	1,763,021,802,534

7. OTHER INFORMATION

7.1 Events after the Balance Sheet date

According to Decision No. 01/QĐ/2022/PH-HĐQT dated January 5, 2022 of the Boards of General Directors of the Company deciding to invest in capital contribution to establish An Think 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.

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

7.2 Transaction with Related parties

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

Related parties	Relationship
Organization	
Phuc Hung Construction Equipment Management Co., Ltd	Subsidiary
Phuc Hung Electromechanical Joint Stock Company	Subsidiary
PHK Investment Co., Ltd	Subsidiary
Phu Lam Joint Stock Company	Subsidiary
Phuc Hung No.7 Investment Construction JSC	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 the Board of Directors
Mr. Nguyen Duc Thang	Member of the Board of Directors
Mr. Do Nguyen An	Member of the Board of Directors
Mr. Nguyen Cong Khanh	Member of the Board of Directors
Mr. Tran Hong Phuc	Member of the Board of Directors cum General Director
Mr. Nguyen Ngoc Diep	Member of the Board of Directors
Mr. Tran Thang Loi	Deputy General Manager
Mr. Le Quoc Tuan	Deputy General Manager
Mr. Nguyen Hoang Anh	Deputy General Manager
Ms. Ngo Thi Minh Nguyet	Chief accountant
Mr. Nguyen Nhu Phi	Head of Supervisory Board, publishers of information
Ms. Pham Thi Thanh Tuyen	Member of Supervisory Board
Mr. Cao Xuan Dung	Member of Supervisory Board
Mr. Dang Trong Duc	Person in charge of administration

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

Income of the Board of General Directors, Remuneration of the Boards of Management and Supervisor, Chief Accountant and other managers:

Full name	Title	In 2021 VND	In 2020 VND
Salary and remuneration of the Board of Management and Supervisory Board	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 for members of the Executive Board

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)

For the year ended 31 December 2021

7.2 Transaction with Related parties (Continued)

Remuneration for members of the Board of Supervisors

Full name	Title	In 2021 VND	In 2020 VND
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

Salary of General Director and other managers

Full name	Title	In 2021 VND	In 2020 VND
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

Balances of Related parties

Related parties	Relationship	31/12/2021 VND	01/01/2021 VND
Receivables		65,568,764,745	14,511,260,274
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
Other receivables		34,821,792,991	35,442,000,000
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	30,030,012,170	-
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
Trade payables		16,615,341,660	22,291,631,334
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	-
Other payables		3,000,000,000	-
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	3,000,000,000	-
Long-term Loan		5,000,000,000	-
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	5,000,000,000	-

NOTES TO THE CONSOLIDATED 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			73,636,314,540	44,726,062,124
An Phu Hung Business Investment Joint Stock Company		Project assignment and others	38,034,110,356	1,597,260,274
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	Brand fees and other fees	1,456,934,796	9,633,603,282
My Xuan Ha Noi Housing Joint Stock Company	Associated Company	Purchasing goods, service	34,145,269,388	33,495,198,568
Purchasing goods			20,910,731,474	2,012,814,634
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
An Phu Hung Business Investment Joint Stock Company	Associated Company	Purchasing service	1,517,610,441	255,980,400
Dividend			2,800,000,000	-
Phuc Hung No.7 Investment Construction Joint Stock Company	Associated Company	Dividend	2,800,000,000	-

7.3 Comparative figures

Comparative figures are taken from the consolidated financial statements for the year ended 31 December 2020 which are audited by CPA VIETNAM Auditing Company Limited – A Member of INPACT.

Hanoi, March 24, 2022

Preparer



Ha Thi Thu Hoa

Chief Accountant



Ngo Thi Minh Nguyet

Chairman



Cao Tung Lam