

**CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2022

**TRUONG THANH ENERGY
AND REAL ESTATE
JOINT STOCK COMPANY**



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TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Truong Thanh Energy and Real Estate Joint Stock Company (hereinafter called "the Company") presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2022 including the Financial Statements of the Company and its subsidiaries (generally called "the Group").

Business highlights

Truong Thanh Energy and Real Estate Joint Stock Company (which was renamed from Truong Thanh Real Estate and Construction JSC.) is a joint stock company operating in accordance with the 1st registered Business Registration Certificate No. 0105167260 dated 28 February 2011 granted by Hanoi Authority for Planning and Investment.

During the operation course, the Company has been approved by Hanoi Authority for Planning and Investment for the change in the Business Registration Certificates 21 times. The 21st amended Business Registration Certificate dated 18 October 2021 regarded the increase in charter capital.

Head office

- Address : No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam.
- Tel. : 0243 63295856

Principal activities of the Company during the year include: Trading construction materials and providing consulting and construction and installation services.

Board of Management and Executive Officers

The members of the Board of Management, the Board of Control and the Board of Directors and the Chief Accountant of the Company during the year and as at the date of this statement include:

The Board of Management

Full names	Position	Appointing date/Re-appointing date/ Resigning date
Mr. Dang Trung Kien	Chairman	Re-appointed on 18 May 2020
Mr. Hoang Dinh Loi	Vice Chairman	Re-appointed on 18 May 2020
Mr. Hoang Manh Huy	Member	Re-appointed on 18 May 2020
Mr. Le Dinh Ngoc	Member	Re-appointed on 18 May 2020
Mr. Akahane Seiji	Independent member	Appointed on 18 May 2020
Mr. Tran Tuan Phong	Independent member	Appointed on 29 March 2021
Mr. Mac Quang Huy	Member	Appointed on 24 December 2021
Ms. Dao Thi Thanh Hien	Member	Appointed on 24 December 2021
Mr. Kundun Sukhumananda	Independent member	Appointed on 24 December 2021
Mr. Ha Ngoc Minh	Member	Appointed on 31 March 2022
Mr. Nguyen Anh Tuan	Member	Appointed on 31 March 2022
Mr. Phan Ngoc Anh Cuong	Member	Resigned on 31 March 2022
Mr. Thaweesak Unprasert	Independent member	Resigned on 31 March 2022

The Board of Control

Full names	Position	Appointing date/Resigning date
Mr. Dao Xuan Duc	Manager	Appointed on 18 May 2020
Mr. Pham Duy Hoan	Member	Appointed on 31 March 2022
Ms. Tran Thi Hanh	Member	Appointed on 31 March 2022
Ms. Ninh Thi Thanh	Member	Resigned on 31 March 2022
Ms. Nguyen Thuy Quynh	Member	Resigned on 31 March 2022

The Board of Directors and the Chief Accountant

Full names	Position	Appointing date/Re-appointing date
Mr. Hoang Manh Huy	General Director	Appointed on 28 July 2020
Mr. Dang Tran Quyet	Deputy General Director	Re-appointed on 1 July 2020
Mr. Nguyen Hong Thang	Deputy General Director cum Chief Accountant	Appointed on 10 February 2020
Mr. Nguyen Quang Vinh	Deputy General Director	Appointed on 1 October 2021

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF DIRECTORS (cont.)

Legal representative

The legal representative of the Company during the year and as at the date of this statement is Mr. Dang Trung Kien – Board Chairman (Re-appointed on 18 May 2020).

Mr. Dang Trung Kien has authorized Mr. Hoang Manh Huy – General Director to sign the Financial Statements for the fiscal year ended 31 December 2022 in accordance with the Letter of Attorney No. 02/GUQ-TEG dated 28 July 2020.

Auditor

A&C Auditing and Consulting Co., Ltd. has performed the audit on the Consolidated Financial Statements for the fiscal year ended 31 December 2022 of the Company.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view on the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently.
- make judgments and estimates reasonably and prudently.
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements.
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.
- design and implement effectively 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.

The Board of Directors hereby ensures that all the accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

Approval on the Consolidated Financial Statements

The Board of Directors of the Company hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position as at 31 December 2022, the consolidated financial performance and the consolidated cash flows for the fiscal year then ended of the Group in conformity with the Vietnamese Accounting Standards and System and other legal regulations related to the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Directors,

General Director



Hoang Manh Huy

30 March 2023

A&C AUDITING AND CONSULTING CO., LTD.

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No. 2.0327/23/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

We have audited the accompanying Consolidated Financial Statements of Truong Thanh Energy and Real Estate Joint Stock Company ((hereinafter called "the Company") and its subsidiaries (generally called "the Group"), which were prepared on 30 March 2023, from page 6 to page 43, including the Consolidated Balance Sheet as of 31 December 2022, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with Vietnamese Accounting Standards and System as well as the legal regulations related to the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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 Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position of Truong Thanh Energy and Real Estate Joint Stock Company and its subsidiaries as of 31 December 2022, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended in conformity with the prevailing Vietnamese Accounting Standards and System as well as the legal regulations relevant to preparation and presentation of Consolidated Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.
Hanoi Branch



Tran Kim Anh – Partner

Audit Practice Registration Certificate:

No. 1907-2023-008-1

Authorized signatory

Pham Quoc Huy – Auditor

Audit Practice Registration Certificate:

No. 4918-2019-008-1

Hanoi, 30 March 2023

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

Unit: VND

ASSETS	Code	Note	<u>Closing balance</u>	<u>Opening balance</u>
A - CURRENT ASSETS	100		552,205,467,402	546,358,543,691
I. Cash and cash equivalents	110	V.1	6,696,944,919	64,104,421,520
1. Cash	111		6,696,944,919	24,104,421,520
2. Cash equivalents	112		-	40,000,000,000
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		492,821,458,150	419,768,427,435
1. Short-term trade receivables	131	V.3	143,133,994,016	133,697,677,180
2. Short-term prepayments to suppliers	132	V.4	5,677,086,521	3,390,439,762
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivables for short-term loans	135	V.5	177,300,000,000	55,300,000,000
6. Other short-term receivables	136	V.6a	166,956,877,613	227,552,860,493
7. Allowance for short-term doubtful debts	137		(246,500,000)	(172,550,000)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		50,200,010,743	58,906,952,485
1. Inventories	141	V.7	50,200,010,743	58,906,952,485
2. Allowance for inventories	149		-	-
V. Other current assets	150		2,487,053,590	3,578,742,251
1. Short-term prepaid expenses	151	V.8a	736,378,207	1,458,318,649
2. Deductible VAT	152		1,750,675,383	2,120,423,602
3. Taxes and other receivables from the State	153	V.15	-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated Balance Sheet (cont.)

ASSETS	Code	Note	Closing balance	Opening balance
B - NON-CURRENT ASSETS	200		681,375,993,365	678,195,308,735
I. Long-term receivables	210		321,000,000	231,000,000
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.6b	321,000,000	231,000,000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		19,451,961,698	18,653,484,548
1. Tangible fixed assets	221	V.9	19,151,855,352	18,204,723,654
<i>Historical costs</i>	222		47,688,034,489	40,573,755,576
<i>Accumulated depreciation</i>	223		(28,536,179,137)	(22,369,031,922)
2. Financial leased assets	224	V.10	300,106,346	448,760,894
<i>Historical costs</i>	225		743,272,727	743,272,727
<i>Accumulated depreciation</i>	226		(443,166,381)	(294,511,833)
3. Intangible fixed assets	227		-	-
<i>Initial costs</i>	228		-	-
<i>Accumulated amortization</i>	229		-	-
III. Investment property	230		-	-
Historical costs	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		35,265,796,097	4,617,492,830
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.11	35,265,796,097	4,617,492,830
V. Long-term financial investments	250		600,008,602,343	623,225,599,867
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2a	33,397,377,068	19,997,377,068
3. Investments in other entities	253	V.2b	570,321,671,910	603,821,671,910
4. Provisions for devaluation of long-term financial investments	254	V.2b	(3,710,446,635)	(593,449,111)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		26,328,633,227	31,467,731,490
1. Long-term prepaid expenses	261	V.8b	895,192,642	993,105,412
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Trade advantage	269	V.12	25,433,440,585	30,474,626,078
TOTAL ASSETS	270		1,233,581,460,767	1,224,553,852,426

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated Balance Sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Closing balance	Opening balance
C - LIABILITIES	300		271,776,855,838	306,307,191,537
I. Current liabilities	310		198,318,043,374	235,128,082,960
1. Short-term trade payables	311	V.13	90,466,022,959	46,835,301,238
2. Short-term advances from customers	312	V.14	4,774,321,205	71,545,614,731
3. Taxes and other obligations to the State Budget	313	V.15	15,561,885,817	17,492,904,093
4. Payables to employees	314		1,590,445,616	1,189,831,436
5. Short-term accrued expenses	315	V.16	8,455,762,285	3,847,708,177
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.17	2,692,228,173	23,227,776,988
10. Short-term borrowings and financial leases	320	V.18a	74,591,690,950	70,803,259,928
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322		185,686,369	185,686,369
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		73,458,812,464	71,179,108,577
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.18b	73,458,812,464	71,179,108,577
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated Balance Sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Closing balance	Opening balance
D - OWNER'S EQUITY	400		961,804,604,929	918,246,660,889
I. Owner's equity	410	V.19	961,804,604,929	918,246,660,889
1. Capital	411		655,917,720,000	655,917,720,000
- Ordinary shares carrying voting rights	411a		655,917,720,000	655,917,720,000
- Preferred shares	411b		-	-
2. Share premiums	412		3,851,395,855	3,961,395,855
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development funds	418		-	-
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421		106,872,168,523	65,749,698,891
- Retained earnings accumulated to the end of the previous period	421a		65,749,698,891	65,749,698,891
- Retained earnings of the current period	421b		41,122,469,632	-
12. Construction investment fund	422		-	-
13. Interest of non-controlling shareholders	429		195,163,320,551	192,617,846,143
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		1,233,581,460,767	1,224,553,852,426

Prepared by

Nguyen Thi Hoa Vy

Chief Accountant

Nguyen Hong Thang

Prepared on 30 March 2023

General Director

Hoang Manh Huy



TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	222,414,026,409	249,830,463,435
2. Sales deductions	02		-	-
3. Net sales	10		222,414,026,409	249,830,463,435
4. Costs of sales	11	VI.2	170,178,002,818	216,648,030,393
5. Gross profit/ (loss)	20		52,236,023,591	33,182,433,042
6. Financial income	21	VI.3	58,095,600,411	44,387,697,985
7. Financial expenses	22	VI.4	10,449,604,347	30,561,529,724
In which: Loan interest expenses	23		6,342,606,823	3,648,264,722
8. Profit/ (loss) in joint ventures, associates	24		-	(49,749,620)
9. Selling expenses	25	VI.5	470,999,465	393,542,370
10. General and administration expenses	26	VI.6	26,728,145,730	14,425,059,114
11. Net operating profit/ (loss)	30		72,682,874,460	32,140,250,199
12. Other income	31	VI.7	552,816	28,717,388,375
13. Other expenses	32	VI.8	14,876,643,094	128,649,676
14. Other profit/ (loss)	40		(14,876,090,278)	28,588,738,699
15. Total accounting profit/ (loss) before tax	50		57,806,784,182	60,728,988,898
16. Current income tax	51		14,138,840,142	13,864,558,748
17. Deferred income tax	52		-	-
18. Profit/ (loss) after tax	60		<u>43,667,944,040</u>	<u>46,864,430,150</u>
19. Profit/ (loss) after tax of the Holding Company	61	V.19	<u>41,122,469,632</u>	<u>46,284,128,173</u>
20. Profit/ (loss) after tax of non-controlling shareholders	62	V.19	<u>2,545,474,408</u>	<u>580,301,977</u>
21. Earnings per share	70	VI.9	<u>627</u>	<u>1,119</u>
22. Diluted earnings per share	71	VI.9	<u>627</u>	<u>1,119</u>

Prepared by



Nguyen Thi Hoa Vy

Chief Accountant



Nguyen Hong Thang

Prepared on 30 March 2023

General Director



Hoang Manh Huy

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		57,806,784,182	60,728,988,898
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		11,356,987,256	(17,285,262,167)
- Provisions and allowances	03		3,190,947,524	559,510,186
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	V.4	990,000,000	(389,400,000)
- Gain/ loss from investing activities	05	VI.3	(58,085,008,563)	(43,848,161,443)
- Interest expenses	06	VI.4	6,342,606,823	3,648,264,722
- Others	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		21,602,317,222	3,413,940,196
- Increase/ (decrease) of receivables	09		126,588,515,794	(262,872,858,161)
- Increase/ (decrease) of inventories	10		8,706,941,742	11,996,703,951
- Increase/ (decrease) of payables	11		(45,195,704,810)	62,289,303,850
- Increase/ (decrease) of prepaid expenses	12		819,853,212	(1,479,800,046)
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14		(1,734,552,715)	(977,730,785)
- Corporate income tax paid	15	V.15	(14,149,660,048)	(4,991,841,948)
- Other cash inflows	16		-	-
- Other cash outflows	17		(110,000,000)	-
Net cash flows from operating activities	20		96,527,710,397	(192,622,282,943)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(37,762,582,180)	1,674,867,061
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23	V.5	(130,000,000,000)	(64,200,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24		8,000,000,000	27,750,000,000
5. Investments into other entities	25		(4,800,000,000)	(360,238,381,605)
6. Withdrawals of investments in other entities	26		-	179,367,194,017
7. Interest earned, dividends and profits received	27		5,549,260,273	4,298,902,254
Net cash flows from investing activities	30		(159,013,321,907)	(211,347,418,273)

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	384,883,445,855
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.18	68,952,328,173	133,034,400,000
4. Repayment for loan principal	34	V.18	(63,660,859,940)	(57,277,536,405)
5. Payments for financial leased assets	35	V.18a	(213,333,324)	(213,333,340)
6. Dividends and profits paid to the owners	36		-	-
<i>Net cash flows from financing activities</i>	40		5,078,134,909	460,426,976,110
Net cash flows during the period	50		(57,407,476,601)	56,457,274,894
Beginning cash and cash equivalents	60	V.1	64,104,421,520	7,647,146,626
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	6,696,944,919	64,104,421,520

Prepared by



Nguyen Thi Hoa Vy

Chief Accountant



Nguyen Hong Thang

Prepared on 30 March 2023

General Director



Hoang Manh Huy

TRUONG THANH ENERGY AND REAL ESTATE JOINT STOCK COMPANY

Address: No. 14-16, Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

I. GENERAL INFORMATION

1. Ownership form

Truong Thanh Energy and Real Estate Joint Stock Company (hereinafter called “the Company” or “the Holding Company”) is a joint stock company.

2. Operating fields

The Company’s operating fields include investment, trading and services.

3. Principal activities

The Company’s principal activity includes trading construction materials.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Structure of the Group

The Group includes the Holding Company and 7 subsidiaries which are controlled by the Holding Company (including 4 direct subsidiaries and 3 indirect subsidiaries). All subsidiaries are consolidated in these Consolidated Financial Statements.

5a. Information on Group restructuring

During the year, the Group had no additional purchase, liquidation or divestment in subsidiaries.

5b. List of subsidiaries consolidated

Direct subsidiaries

Subsidiary	Address of head office	Operation during the year	Benefit rate		Voting rate	
			Closing balance	Opening balance	Closing balance	Opening balance
TRUONGTHANH 108., JSC	No. 92 Le Loi, Chanh Lo Ward, Quang Ngai City, Quang Ngai Province	The company only had 1 transaction of purchasing/selling goods during the year. The operating result suffered a loss during the year.	92%	92%	92%	92%
Viet My Investment and Construction JSC.	To Hoa Hamlet, Ly Thuong Kiet Commune, Yen My District, Hung Yen Province	The company has revenue from selling goods, finished goods (concrete) and construction and installation services. Total revenue increases, however, profit decreases compared to the previous year.	51%	51%	51%	51%
Truong Thanh Energy JSC.	No. 14-16 Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City	The company had no revenue from selling goods and providing services during the year. The principal activity during the year included investing in subsidiaries and other entities.	90.14%	90.14%	90.14%	90.14%
Onsen Hoi Van Limited Liability Company	No. 14-16 Ham Long Street, Phan Chu Trinh Ward, Hoan Kiem District, Hanoi City	In the construction investment phase.	60%	60%	60%	60%

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Indirect subsidiaries

Subsidiary	Address of head office	Operation during the year	Benefit rate		Voting rate	
			Closing balance	Opening balance	Closing balance	Opening balance
Viet My Trung Hung JSC. ⁽ⁱ⁾	Dao Khe Hamlet, Trung Hung Commune, Yen My District, Hung Yen Province	The company has no business operation. During the year, there were only transactions of advance, refund of advance.	31%	31%	60%	60%
TTP Phu My JSC. ⁽ⁱⁱ⁾	Hoa Hoi Nam Hamlet, My Thanh Commune, Phu My District, Binh Dinh Province	The company has no business operation.	74.15%	74.15%	51%	51%
TTP Tra Vinh JSC. ⁽ⁱⁱ⁾	No. 77, Kien Thi Nhan Road, Cluster 2, Ward 7, Tra Vinh City	The company has no business operation.	45.97%	45.97%	51%	51%

⁽ⁱ⁾ Subsidiary of Viet My Investment and Construction JSC.

⁽ⁱⁱ⁾ Subsidiaries of Truong Thanh Energy JSC.

5c. Associate reflected in the Consolidated Financial Statements in accordance with the owner's equity method

Subsidiary	Address of head office	Operation during the year	Ownership rate		Voting rate	
			Closing balance	Opening balance	Closing balance	Opening balance
Truong Thanh Island Tourism JSC.	No. 159 Tay Son, Quang Trung Ward, Quy Nhon City, Binh Dinh	The company has no business operation.	36.14%	23.53%	36.14%	23.53%

6. Statement on information comparability on the Consolidated Financial Statements

The corresponding figures in the previous year can be compared with those in the current year.

7. Employees

As at the balance sheet date, there were 111 employees working for Companies in the Group (at the opening of the year: 87 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Group is from 1 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is Vietnam Dong (VND) because payments and receipts of the Group are primarily made in VND.

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Notes to the Consolidated Financial Statements (cont.)

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting Standards and System

The Group has applied the Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guidelines for accounting policies for enterprises, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of consolidated financial statements and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Directors 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, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Consolidation basis

The Consolidated Financial Statements include the Financial Statements of the Holding Company and the Financial Statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right that is currently valid or will be transferred should also be taken into consideration as at the balance sheet date.

The business results of the subsidiaries which are acquired or disposed during the year are included in the Consolidated Income Statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The Financial Statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the Financial Statements of the subsidiaries before they are used to prepare the Consolidated Financial Statements.

Intra-group balances in the balance sheet and intra-group transactions and unrealized intra-group profits resulting from these transactions are eliminated when the Consolidated Financial Statements are prepared. Unearned losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gains/losses on the business results and net assets of a subsidiary which is not held by of the Group and is presented in a specific item in the Consolidated Income Statement and the Consolidated Balance Sheet (the owner's equity). Interest of non-controlling shareholders includes value of non-controlling minority interest as at the initial business consolidation date and that in the fluctuation of owner's equity commencing from the business consolidation date. Losses arising in subsidiaries are allocated equivalent to the ownership rate of non-controlling shareholders, even if those losses are higher than the ownership rate of non-controlling shareholders in net assets of subsidiaries.

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In case the subsidiaries additionally mobilize contribution capital from owners, if the rate of additional contribution capital of parties is not equivalent to the current rate, the differences between the additional contribution capital of the Company and the additional increase ownership in net assets of the subsidiaries will be recognized into the item of "Retained earnings" in the Consolidated Balance Sheet.

3. Cash and cash equivalents

Cash include cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as at the balance sheet date.

4. Financial investments

Loans

Loans are determined at original costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

Investments in associates

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the Consolidated Financial Statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the Consolidated Financial Statements as zero unless the Group has an obligation to make the payment instead of associates.

The Financial Statements of associates are prepared for the same accounting period of the Group. In case the accounting policies of an associate are different from those consistently applied in the Group, the Financial Statements of that associate will be suitably adjusted before being used to prepare the Consolidated Financial Statements.

Unearned gains/losses from transactions with associates are excluded equivalent to those of the Group when the Consolidated Financial Statements are prepared.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase or capital contribution plus other directly attributable transaction costs. Values of these investments are derecognized for dividends and profits arising in the periods prior to the acquisition of such investments. Dividends and profit arising in the periods after the acquisition of investments are recorded into revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments of which the fair value cannot be measured at the time of reporting, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner's equity multiplying (x) by the Group's rate of charter capital in these investees.

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Notes to the Consolidated Financial Statements (cont.)

Increases/ (decreases) in the provisions for impairment of investments in equity instruments of other entities are recorded into "Financial expenses" during the year.

5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according to the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt after being offset with payable liabilities (if any). The appropriation rate is on the basis of the debt age or the estimated loss as follows:

- As for outstanding debts:
 - 30% of the value of debts outstanding from over 6 months to under 1 year.
 - 50% of the value of debts outstanding from 1 year to under 2 years.
 - 70% of the value of debts outstanding from 2 years to under 3 years.
 - 100% of the value of debts outstanding from over 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/ (decreases) in the obligatory allowance for doubtful debts as at the balance sheet date are recorded into "General and administration expenses".

6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Costs of inventories are determined as follows:

- For materials and merchandises: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For work-in-process: Costs comprise main materials, labor and other direct costs.

Ex-warehouse prices are determined in accordance with the weighted average method and recorded in line with the perpetual recording method.

Net realizable values are the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses on product consumption.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/ (decreases) in the obligatory allowance for inventories as at the balance sheet date are recorded into "Costs of sales".

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include expenses for tools, insurance premium and office innovation costs. These prepaid expenses are allocated in the prepayment term or the term in which corresponding economic benefit is derived from these expenses.

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Tools

Expenses for tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 36 months.

Insurance premium

Prepaid land rental is allocated into expenses in accordance with the straight-line method over the effective term in the insurance policy.

Office innovation costs

Office innovation costs arising once with high value are allocated into expenses in accordance with the straight-line method for the maximum period of 36 months.

8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

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.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	5 – 6
Machinery and equipment	3 – 10
Vehicles	6

9. Financial leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. Financial leased asset of the Group includes vehicles which have the depreciation duration of 6 years.

10. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Group) directly related to the construction of plants and the installation of machinery and equipment to serve for production, leasing, and management as well as the repair of fixed assets, which have not been completed yet. Assets in the progress of construction and installation are recorded at historical costs and not depreciated.

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Notes to the Consolidated Financial Statements (cont.)

11. Business consolidation and trade advantage

The business consolidation is accounted for by applying the purchase method. Costs of business consolidation include the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree plus any costs directly attributable to the business consolidation. The assets acquired and identifiable liabilities and contingent liabilities in business consolidation are recognized at fair value as at the date of holding control right.

For business consolidation transactions through several phases, the cost of a business consolidation is calculated as the total of the cost of investment of transactions recognized at cost. The Company does not reevaluate the cost of investment of the previous transactions before the date of achieving control right, as there has not been basis for determination of fair value at the date of achieving control right on the subsidiary.

The higher difference of the business consolidation cost compared with the ownership rate of the Company in the net fair value of assets, identifiable and liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary is recognized as trade advantage. If the ownership share of the Company in the net fair value of assets identifiable liabilities and contingent liabilities recognized at the date of achieving control right on the subsidiary exceeds the business consolidation cost, the difference is recognized into the business results.

Trade advantage is allocated in accordance with the straight-line method in the duration of 10 years. When there is an evidence showing that trade advantage suffers losses more than the allocated amount, the allocated amount during the period is the loss incurred.

Interest of non-controlling shareholders at the date of initial business consolidation is determined on the basis of the rate of non-controlling shareholders in the net fair value of assets, liabilities and contingent liabilities recognized.

12. Contractual arrangement

Jointly controlled operations

In respect of its interests in jointly controlled operations, the Group shall recognize in its Consolidated Financial Statements:

- the assets that the Group controls.
- the liabilities that the Group incurs.
- the Group earns from the sale of goods or services by the joint venture.
- the expenses that the Group incurs.

13. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for goods and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets and the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

Payables and accrued expenses are classified into short-term and long-term ones in the Consolidated Balance Sheet based on the remaining terms as at the balance sheet date.

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14. Owner's equity

Capital

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

Share premiums

Share premiums 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 and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

15. Recognition of sales and income

Sales of merchandises, finished goods

Sales of merchandises, finished goods shall be recognized when all of the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods, products sold.
- The amount of sales can be measured reliably. When the contracts stipulate that buyers have right to return goods, products purchased under specific conditions, sales are recognized only when those specific conditions no longer exist and buyers retains no right to return goods, products (except for the case that such returns are in exchange for other goods or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Group.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Sales of rendering services

Sales of rendering services shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contracts stipulate that the buyers are entitled to return the services rendered under specific conditions, sales are recognized only when those specific conditions no longer exist and buyers are not entitled to return the services rendered.
- The Group received or shall probably receive the economic benefits associated with the rendering of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the stage of completion as at the balance sheet date.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

16. Construction contracts

A construction contract is a contract agreement for construction of an asset or a combination of assets which are closely related or depend on each other in terms of their design, technology, function or purpose of use.

When the outcome of the construction contracts is estimated reliably:

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the Group itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.

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Increases/(decreases) in revenue of the works done, compensation receivable and other receivables are only recognized upon the agreement with customers.

When the outcome of the construction contracts cannot be estimated reliably:

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

The difference between the accumulated revenue from the construction contract already recognized and the accumulated amount in the invoices according to the planned progress of contract is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

17. Borrowing costs

Borrowing costs are interests and other costs that the Group directly incurs in connection with the borrowing. Borrowing costs are recorded as an expense when it is incurred.

18. Expenses

Expenses are those that result in outflows of the Group's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

19. Corporate income tax

Corporate income tax only includes current income tax which is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

20. Related parties

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

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

21. Segment reporting

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Group's Consolidated Financial Statements.

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Notes to the Consolidated Financial Statements (cont.)**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET****1. Cash**

	<u>Closing balance</u>	<u>Opening balance</u>
Cash on hand	295,480,927	465,046,048
Demand deposits in banks	6,401,463,992	23,639,375,472
Cash equivalents	-	40,000,000,000
Total	<u>6,696,944,919</u>	<u>64,104,421,520</u>

2. Financial investments**2a. Investments in associates**

The Group has only invested in one associate which is Truong Thanh Island Tourism JSC. During the year, TRUONGTHANH108., JSC (the Subsidiary) received the transfer of 1,072,000 shares, equivalent to 12.61% of charter capital of Truong Thanh Island Tourism JSC. from Mr. Nguyen Van Quan with the transfer price of VND 13,400,000,000 (VND 12,500/share). As at 31 December 2022, the Group held 3,072,000 shares of Truong Thanh Island Tourism JSC., accounting for 36.14% of charter capital. (the opening balance was 2,000,000 shares, accounting for 23.53% of charter capital).

Situation of investment is as follows:

	<u>Current year</u>	<u>Previous year</u>
Original costs	33,397,377,068	19,997,377,068
Profit after investment date	-	-
Closing balance	<u>33,397,377,068</u>	<u>19,997,377,068</u>

Value of the Group's ownership in the associate is as follows:

	<u>Current year</u>	<u>Previous year</u>
Value of ownership at the opening of the year	19,997,377,068	-
Capital contribution during the year	13,400,000,000	19,997,377,068
Value of ownership at the closing of the year	<u>33,397,377,068</u>	<u>19,997,377,068</u>

The Financial Statements of the associate which are used for the consolidation of the Consolidated Financial Statements for the fiscal year ended 31 December 2022 have been prepared by the entity, but not been externally audited.

Operation of associate

The associate had no operation during the year.

Transactions with associate

During the year, the Group had no transactions with the associate.

2b. Investments into other entities

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Original costs</u>	<u>Allowance</u>	<u>Original costs</u>	<u>Allowance</u>
Quang Phu Energy JSC.	40,087,500,000	(6,627,765)	40,087,500,000	-
Le Thuy Solar Power JSC.	70,000,000,000	(73,480,851)	70,000,000,000	(72,937,153)
Huong Hoa Holding JSC.	40,249,990,000	(3,558,555,700)	40,249,990,000	(448,729,639)
Ky Son Solar Power JSC.	98,000,000,000	(69,017,209)	98,000,000,000	(69,017,209)
Cat Hiep 2 Solar Power JSC.	27,500,000,000	(2,765,110)	27,500,000,000	(2,765,110)
Truong Thanh Quang Ngai Power and High Technology JSC.	-	-	33,500,000,000	-
Phu Yen TTP JSC. (*)	294,484,181,910	-	294,484,181,910	-
Total	<u>570,321,671,910</u>	<u>(3,710,446,635)</u>	<u>603,821,671,910</u>	<u>(593,449,111)</u>

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(*) The investment in Phu Yen TTP JSC. (23,062,339 shares) owned by Truong Thanh Energy JSC. (which is the subsidiary) has the book value of VND 230.623,990,000, and is presented in these Consolidated Financial Statements in accordance with the fair value of VND 294,484,181,910.

Rate of ownership and operation of other invested companies

Name	Closing balance		Opening balance	
	Number of shares	Ownership rate (%)	Number of shares	Ownership rate (%)
Quang Phu Energy JSC.	4,008,750	16.04%	4,008,750	16.04%
Le Thuy Solar Power JSC.	7,000,000	7%	7,000,000	7%
Huong Hoa Holding JSC.	4,024,999	19.999995%	4,024,999	19.999995%
Ky Son Solar Power JSC.	9,800,000	12.25%	9,800,000	12.25%
Cat Hiep 2 Solar Power JSC.	2,750,000	11%	2,750,000	11%
Truong Thanh Quang Ngai Power and High Technology JSC.	-	-	3,350,000	13.40%
Phu Yen TTP JSC.	23,062,339	19.99%	23,062,339	19.99%

Apart from Phu Yen TTP JSC. having normal business operations with its principal activities during the year of producing and selling power, the remaining entities have not had any revenue during the year. Main operations of these entities during the year included advances for project implementation.

Fair value

The Group has not determined fair value of investments without listed prices as there has not been any detailed guidance on determination of fair value.

Provisions for investments into other entities

All investments into other entities are considered to appropriate provision on the basis of the unaudited Financial Statements for the fiscal year ended 31 December 2022.

Fluctuations of provisions for investments in other entities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Opening balance	593,449,111	31,794,448
Additional extraction	3,116,997,524	559,510,186
Adjustment of allowance due to the business consolidation	-	2,144,477
Closing balance	<u>3,710,446,635</u>	<u>593,449,111</u>

Plan on liquidation of investments

Truong Thanh Energy JSC. (the subsidiary) received a loan from B.Grimm Renewable Power 2 Limited in accordance with the Loan Agreement dated 1 July 2020 in return for the right to receive 3,062,400 shares of Phu Yen TTP JSC. The loan was due on 1 July 2021, however, the parties had not completed extension procedures and had not transferred the ownership right of Phu Yen TTP's shares (See Note V.18).

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3. Short-term trade receivables

	<u>Closing balance</u>	<u>Opening balance</u>
<i>Receivables from related parties</i>	<i>8,687,501,915</i>	<i>42,583,000</i>
Truong Thanh Vietnam Industry JSC.	-	42,583,000
Truong Thanh Vietnam Group Joint Stock Company	96,101,915	-
Truong Thanh Dai Phat JSC. ⁽ⁱ⁾	8,591,400,000	-
<i>Receivables from other customers</i>	<i>134,446,492,101</i>	<i>133,655,094,180</i>
LIG – Huong Hoa 1 JSC.	-	13,000,000,000
Mr. Tran Kim Tuyen	-	58,548,443,269
Mr. Le Vu Dung ⁽ⁱⁱ⁾	24,640,000,000	24,640,000,000
Sermasang International Company Limited ⁽ⁱⁱⁱ⁾	41,020,833,601	-
Other customers ^(iv)	68,785,658,500	37,466,650,911
Total	<u>143,133,994,016</u>	<u>133,697,677,180</u>

(i) This is the receivable of TRUONG THANH 108., JSC (the subsidiary) from Truong Thanh Dai Phat JSC. on sales of goods which are 2 stone crusher lines. The payment term is until 31 December 2023 (See Note VI.1 and VI.2).

(ii) This is the receivable of Truong Thanh Energy JSC. (the subsidiary) from Mr. Le Vu Dung in accordance with the Transfer Agreement No. 01/2021/HDCN/DMTKS dated 10 December 2021 on the transfer of 2,200,000 shares of Ky Son Solar Power JSC. The payment term is 90 days commencing from the effective date of the Agreement. On 1 March 2022, the parties signed the Appendix No. 02/2022/PLHD on the amendment of the payment deadline to 10 September 2023.

(iii) This is the receivable from Sermasang International Company Limited regarding the transfer of shares of Truong Thanh Quang Ngai Power and High Technology JSC. In which, the receivables from the Holding Company and Truong Thanh Energy JSC. (the subsidiary) are VND 36,020,118,750 and VND 5,000,714,851 respectively.

(iv) In which, the outstanding receivables for 6 months or more at Viet My Investment and Construction JSC. (the subsidiary) are VND 5.9 billion. The Board of Directors of the subsidiary has assessed that these debts are fully recoverable and they are taking measures to urge debt recovery in the 3rd quarter of 2023.

4. Short-term prepayments to suppliers

	<u>Closing balance</u>	<u>Opening balance</u>
Dong Khanh Construction Co., Ltd.	455,969,000	455,969,000
Khoi Construction and Trading Co., Ltd. ^(*)	1,152,553,098	1,152,553,098
Other suppliers	4,068,564,423	1,781,917,664
Total	<u>5,677,086,521</u>	<u>3,390,439,762</u>

(*) Including the prepayment in accordance with the Construction Contract No. 323/2018/HDTTC/TEC-XDK dated 12 October 2018 regarding the construction, equipment supply and installation associated with of the Concentrated Solid Waste Treatment Plant Project in Duc Trong District, the completion term of 215 days (from 12 October 2018). As at the date of these Financial Statements, the Contract had not been completed as the completed work has not been accepted with the Contractor (see Note V.14 for further information).

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5. Receivables for short-term loans

The following loans have the terms from 6 to 12 months, no collaterals:

	<u>Closing balance</u>	<u>Opening balance</u>
<i>Loans to related party</i>	<i>130,000,000,000</i>	-
Viet My Investment and Construction JSC. ⁽ⁱ⁾	130,000,000,000	-
<i>Loans to other organizations and individuals</i>	<i>47,300,000,000</i>	<i>55,300,000,000</i>
Mr. Nguyen Van Quan ⁽ⁱⁱ⁾	5,300,000,000	5,300,000,000
Dong Duong Thang Long Investment and Construction JSC. ⁽ⁱⁱⁱ⁾	42,000,000,000	50,000,000,000
Total	<u>177,300,000,000</u>	<u>55,300,000,000</u>

(i) Truong Thanh Energy JSC. (the subsidiary) lent to Viet My Investment and Construction JSC. (Other related party) in accordance with the Agreement dated 27 May 2022 with the amount of VND 130,000,000,000 for the purpose of supplementing working capital serving business operation. The loan term is 6 months with the interest rate of 3%/year paid on maturity date. On 1 October 2022, two parties signed the Agreement Appendix to extend the loan term for 6 months (until 27 May 2023) and changed the interest rate to 12.5%/year (from 1 October 2022).

(ii) TRUONGTHANH108., JSC. (the subsidiary) lent Mr. Nguyen Van Quan in accordance with the Agreement No. 0207/2021/HDVV/108TT-TTVN dated 2 July 2021, with the term of 12 months, the interest rate of 5%/year. The loan is extended until 02 July 2023 in accordance with the Agreement Appendix dated 2 July 2022.

(iii) Onsen Hoi Van Limited Liability Company (the subsidiary) lent Dong Duong Thang Long Investment and Construction JSC. (which is the capital contributor of the subsidiary) in accordance with the Capital Loan Agreement No. 0812/2021/HDVV/ONSEN-DDTL dated 8 December 2021 with the interest rate of 3%/year, the term of 3 months commencing from the disbursement date. The loan is extended until 18 December in accordance with the Agreement Appendix No. 02/PLHDVV/ONSEN-DDTL,

6. Other receivables

6a. Other short-term receivables

	<u>Closing balance</u>		<u>Opening balance</u>	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties – Advances</i>	<i>41,200,788,885</i>		<i>108,406,934,869</i>	
Mr. Dang Tran Quyet	180,250,000		180,250,000	
Ms. Dang Thi Phuong Hoa ⁽ⁱ⁾	25,807,703,269		98,549,000,000	
Mr. Le Dinh Ngoc	5,100,000,000		5,100,000,000	
Ms. Dao Thi Thanh Hien	3,575,000,000		3,575,000,000	
Mr. Dang Trung Kien	1,100,000,000		1,000,000,000	
Mr. Nguyen Hong Thang	-		2,684,869	
Viet My Industrial Investment and Construction JSC. – Loan interest	5,437,835,616			
<i>Receivables from other organizations and individuals</i>	<i>125,756,088,728</i>		<i>119,145,925,624</i>	
Receivables for loan interests	1,881,424,660		247,551,370	
Mortgages and deposits	429,565,851		447,565,851	
Advances	123,402,294,081		118,383,604,287	
Mr. Tran Trong Ly ⁽ⁱⁱ⁾	31,500,000,000		35,000,000,000	
Mr. Nguyen Thanh Luan ⁽ⁱⁱ⁾	41,490,000,000		44,490,000,000	
Mr. Tran Quoc Trieu	8,085,512		4,808,085,512	
Mr. Le Xuan Vinh ⁽ⁱⁱⁱ⁾	27,393,800,000		27,393,800,000	

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	Closing balance		Opening balance	
	Value	Allowance	Value	Allowance
<i>Ms. Nguyen Thi Hue</i>	2,560,000,000	-	4,560,000,000	-
<i>Mr. Nguyen Dinh Chung</i> ^(iv)	17,829,400,000	-	-	-
<i>Other individuals</i>	2,621,008,569	-	2,131,718,775	-
Other short-term receivables	42,804,136	-	67,204,116	-
Total	166,956,877,613	-	227,552,860,493	-

- (i) Truong Thanh Energy JSC. (the subsidiary) advanced to Ms. Dang Thi Phuong Hoa in accordance with the Resolution No. 20.11a/2020/BB-HDQT dated 20 November 2020 to carry out Ky Son Solar Power Plant Project and the Resolution No. 02/2021/NQ-HDQT dated 22 September 2021 to carry out Truong Thanh Wind Power Plant Project.
- (ii) Onsen Hoi Van Limited Liability Company (the subsidiary) advanced to individuals to carry out Hoi Van Hot Spring Resort, Health Care and Residential Quarter Project in accordance with the Resolution of the Board of Members No. 01/NQ-HDTV dated 8 December 2021.
- (iii) Viet My Trung Hung JSC. (the indirect subsidiary) advanced to Mr. Le Xuan Vinh in accordance with the Resolution No. 208/2018/NQ-HDQT dated 20 August 2018 and the Resolution No. 03/2021/NQ-HDQT dated 12 October 2021 to serve site clearance compensation for "Electrical and Electronic Component Production Factory Project".
- (iv) Viet My Investment and Construction JSC. (the subsidiary) advanced to Mr. Nguyen Dinh Chung in order to carry out the project of "Unburnt Brick Production Factory" in Ly Thuong Kiet Commune, Yen My District, Hung Yen Province in accordance with the Resolution of the General Meeting of Shareholders No. 01/2022/NQ/DHDCD dated 15 September 2022.

6b. Other long-term receivables

Including long-term mortgages and deposits.

7. Inventories

	Closing balance		Opening balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies ⁽ⁱ⁾	2,374,418,482	-	9,301,959,159	-
Work-in-process	47,825,592,261	-	49,604,993,326	-
<i>Project of 110KV transmission line construction in Cat Hiep Commune</i> ⁽ⁱⁱ⁾	886,371,078	-	1,439,378,575	-
<i>Project of Nghia An Rural Residence and Commercial Service Complex</i> ⁽ⁱⁱⁱ⁾	46,729,490,274	-	43,790,190,665	-
<i>Project of Tra Co Urban and High-class Tourism Area</i> ^(iv)	209,730,909	-	4,375,424,086	-
Total	50,200,010,743	-	58,906,952,485	-

- (i) Including cement, sand, stone and additives to produce concrete finished goods of Viet My Investment and Construction JSC. (the subsidiary).
- (ii) Including the work-in-progress of the project of 110KV transmission line construction in Cat Hiep Commune, Cat Trinh, Phu Cat, Binh Dinh. During the year, the Company did not have additional costs of the project as the project was waiting for the authorities' approval.

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- (iii) Including the construction costs in progress of Nghia An Rural Residence and Commercial Service Complex Project with total investment of VND 250,000,000,000. The Company is carrying out construction investment for Phase 2, expected to complete in the 2nd quarter of 2023.
- (iv) Including materials for technical infrastructure construction of frontage roads, D5 to D10, D13 at "Tra Co Urban and High-class Tourism Area Project" in Tra Co Ward, Mong Cai City, Quang Ninh Province.

8. Prepaid expenses

8a. Short-term prepaid expenses

	<u>Closing balance</u>	<u>Opening balance</u>
Expenses for tools	121,769,796	481,303,464
Insurance premiums	91,352,562	87,182,041
Repair costs	157,267,157	667,783,806
Other short-term prepaid expenses	365,988,692	222,049,338
Total	<u>736,378,207</u>	<u>1,458,318,649</u>

8b. Long-term prepaid expenses

	<u>Closing balance</u>	<u>Opening balance</u>
Expenses for tools	510,643,798	375,943,161
Repair costs	383,572,225	-
Other long-term prepaid expenses	976,619	617,162,251
Total	<u>895,192,642</u>	<u>993,105,412</u>

9. Tangible fixed assets

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Historical costs					
Opening balance	2,284,686,942	5,020,872,728	33,163,968,633	104,227,273	40,573,755,576
Acquisition during the year			7,114,278,913		7,114,278,913
Closing balance	<u>2,284,686,942</u>	<u>5,020,872,728</u>	<u>40,278,247,546</u>	<u>104,227,273</u>	<u>47,688,034,489</u>
<i>In which:</i>					
Assets fully depreciated but still in use					
Assets waiting for liquidation					
Depreciation					
Opening balance	1,842,385,001	2,509,316,678	18,014,047,260	3,282,983	22,369,031,922
Depreciation during the year	379,856,232	642,640,392	5,098,521,799	46,128,792	6,167,147,215
Closing balance	<u>2,222,241,233</u>	<u>3,151,957,070</u>	<u>23,112,569,059</u>	<u>49,411,775</u>	<u>28,536,179,137</u>
Net book values					
Opening balance	442,301,941	2,511,556,050	15,149,921,373	100,944,290	18,204,723,654
Closing balance	<u>62,445,709</u>	<u>1,868,915,658</u>	<u>17,165,678,487</u>	<u>54,815,498</u>	<u>19,151,855,352</u>
<i>In which:</i>					
Assets temporarily not in use					
Assets waiting for liquidation					

Some tangible fixed assets which have the net book values of VND 7,491,704,107 have been mortgaged to secure the loans from Banks.

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10. Financial leased assets

Financial leased assets include vehicles. Details of increases/ (decreases) are as follows:

	Historical costs	Accumulated depreciation	Net book values
Opening balance	743,272,727	(294,511,833)	448,760,894
Depreciation during the year	-	(148,654,548)	(148,654,548)
Closing balance	<u>743,272,727</u>	<u>(443,166,381)</u>	<u>300,106,346</u>

11. Construction-in-progress

	Opening balance	Increase during the year	Closing balance
Cat Hiep Industrial Cluster Project ⁽ⁱ⁾	1,904,865,252	1,641,296,135	3,546,161,387
Ninh Tan Solar Power Plant ⁽ⁱⁱ⁾	350,884,546	-	350,884,546
Phu My Wind Power Plant ⁽ⁱⁱⁱ⁾	1,691,380,001	-	1,691,380,001
Tra Vinh Wind Power Plant ^(iv)	613,636,364	-	613,636,364
Hoi Van Resort Project ^(v)	56,726,667	29,007,007,132	29,063,733,799
Total	<u>4,617,492,830</u>	<u>30,648,303,267</u>	<u>35,265,796,097</u>

(i) Including the construction-in-progress of Cat Hiep Industrial Cluster Project, Phu Cat District, Binh Dinh Province. Total estimated investment is VND 410 billion. The project is in the process of counting, measuring and mapping for site clearance compensation and design work.

(ii) Including expenses for investment in building Ninh Tan Solar Power Plant Project in Ninh Tan Commune, Ninh Hoa Town, Khanh Hoa Province of which the Company is the investor. Total estimated investment is VND 617 billion. At present, costs have included topographic survey costs and consulting fee for preparing project dossiers.

(iii) Including expenses for investment in building Phu My Wind Power Plant Project in Hoi Nam Hamlet, My Thanh Commune, Phu My District, Binh Dinh Province. Total estimated investment is VND 4,994 billion. At present, costs have included survey, design and supply of equipment, construction and operation of wind measuring towers.

(iv) Including consulting fee for preparing pre-feasibility study report for V4-1, V4-2, V4-3 Wind Power Plant Project in Tra Vinh Province.

(v) Including expenses for investment in building Hoi Van Hot Spring Resort, Health Care and Residential Quarter Project in Cat Hiep Commune, Phu Cat District, Binh Dinh Province. The project was approved by the People's Committee of Binh Dinh Province for the investment policy in accordance with the Decision No. 4622/QD-UBND dated 19 November 2021 with the total estimated investment of VND 726,911,000,000, the estimated project implementation schedule is from the 4th quarter of 2021 to the 4th quarter of 2026.

12. Trade advantage

	TRUONGTHANH 108., JSC	Viet My Investment and Construction JSC.	Total
Historical costs			
Opening balance	45,230,959,621	5,180,895,306	50,411,854,927
Closing balance	<u>45,230,959,621</u>	<u>5,180,895,306</u>	<u>50,411,854,927</u>
Depreciation			
Opening balance	18,469,308,512	1,467,920,337	19,937,228,849
Allocation during the year	4,523,095,962	518,089,531	5,041,185,493
Closing balance	<u>22,992,404,474</u>	<u>1,986,009,868</u>	<u>24,978,414,342</u>
Net book values			
Opening balance	26,761,651,109	3,712,974,969	30,474,626,078
Closing balance	<u>22,238,555,147</u>	<u>3,194,885,438</u>	<u>25,433,440,585</u>

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13. Short-term trade payables

	<u>Closing balance</u>	<u>Opening balance</u>
<i>Payables to related parties</i>	632,948,964	1,632,948,964
Viet My Group Construction JSC.	368,948,964	1,368,948,964
Truong Thanh Viet Nam Group JSC.	264,000,000	264,000,000
<i>Payables to other suppliers</i>	89,833,073,995	45,202,352,274
Viet Phuc Trading Investment JSC.	6,870,000,000	-
Mr. Nguyen Van Quan ⁽ⁱ⁾	8,600,000,000	-
Thuan Hai Service Trading JSC.	24,984,312,202	25,374,102,000
Mr. Nguyen Xuan Phuong ⁽ⁱⁱ⁾	24,750,000,000	-
Other suppliers	24,628,761,793	19,828,250,274
Total	<u>90,466,022,959</u>	<u>46,835,301,238</u>

(i) This is the payable to Mr. Nguyen Van Quan from TRUONGTHANH108., JSC (which is the subsidiary) in accordance with the Contract No. 01/2022/HDCN-TTIS dated 6 December 2022 to purchase 1,072,000 shares of Truong Thanh Island Tourism JSC., with the purchasing price of VND 13,400,000,000 (VND 12,500/share). The latest payment term is before 30 July 2023.

(ii) This is the payable to Mr. Nguyen Xuan Phuong from the Holding Company in accordance with the Contract No. 1708/2022/HDCN/PHUONG_TEG dated 17 August 2022 in order to purchase 1,650,000 shares of Truong Thanh Quang Ngai Power and High Technology JSC. with the purchasing price of VND 24,750,000,000 (VND 15,000/share). The latest payment term is before 31 March 2023.

14. Short-term advances from customers

	<u>Closing balance</u>	<u>Opening balance</u>
<i>Advances from related party</i>	510,704,842	-
Truong Thanh Viet Nam Industry JSC. ⁽ⁱ⁾	510,704,842	-
<i>Advances from other customers</i>	4,263,616,363	71,545,614,731
Truong Thanh BCG JSC. ⁽ⁱⁱ⁾	1,249,274,250	1,249,274,250
Sermasang International Co. Ltd ⁽ⁱⁱⁱ⁾	-	68,131,041,369
Other customers	3,014,342,113	2,165,299,112
Total	<u>4,774,321,205</u>	<u>71,545,614,731</u>

(i) Including the receipt of advance in accordance with the Appendix 01 of the Construction Contract No. 02/2022/HDXD/BX/CNTT-TEG dated 10 May 2022 regarding the technical infrastructure construction of Bai Xep Resort Villa Area Project in Ghenh Rang Ward, Quy Nhon City, Binh Dinh Province. The commencement date was on 25 May 2022. The expected construction term of these items is 240 days from the commencement date.

(ii) Including the receipt of advance in accordance with the Construction Contract No. 4006f/2018/HDTG/BCG-LD dated 9 July 2018 regarding construction, equipment supply and installation associated with the Concentrated Solid Waste Treatment Plant Project in Duc Trong District, the completion term of 215 days (from 9 July 2018). As at the date of these Consolidated Financial Statements, the Contract had not been completed as the completed work has not been accepted with the Contractor. (See Note V.4 for further information).

(iii) Including the advance to purchase all 3,350,000 shares of Truong Thanh Quang Ngai Power and High Technology JSC. in accordance with the Agreement dated 23 November 2021.

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15. Taxes and other obligations to the State Budget

	Opening balance	Amount payable during the year	Amount already paid during the year	Closing balance
VAT on local sales	3,571,395,381	4,862,450,537	(6,948,118,968)	1,485,726,950
Corporate income tax	13,789,972,275	14,138,840,142	(14,149,660,048)	13,779,152,369
Corporate income tax temporarily paid for property activity	14,515,186	-	-	14,515,186
Personal income tax	103,010,406	661,958,294	(577,731,688)	187,237,012
Other taxes	14,010,845	363,957,140	(282,713,685)	95,254,300
Total	17,492,904,093	20,027,206,113	(21,958,224,389)	15,561,885,817

Value added tax (VAT)

The Companies in the Group have to pay VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Companies in the Group have to pay corporate income tax for taxable income at the rate of 20%.

The determination of corporate income tax payable of the companies in the Group is based on the prevailing regulations on taxes. However, these regulations change for each period and the regulations on taxes for various transactions can be explained in various ways. Therefore, the tax amount presented in the Consolidated Financial Statements could change when being examined by the Tax Office.

Corporate income tax provisionally paid for the amount received in advance from the transfer of property

The Group has to pay temporarily corporate income tax at the rate of 1% on the amount received in advance from the transfer of property in accordance with regulations of the Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance. The Group will finalize the accounts of corporate income tax payable for this activity upon handover of property.

Other taxes

The Group has declared and paid these taxes in line with the prevailing regulations.

16. Short-term accrued expenses

	Closing balance	Opening balance
Loan interest expenses	8,193,302,857	3,585,248,749
Temporarily accrued costs of finished goods, properties sold	262,459,428	262,459,428
Total	8,455,762,285	3,847,708,177

17. Other short-term payables

	Closing balance	Opening balance
<i>Payables to related parties</i>	<i>1,231,327,416</i>	<i>175,479,445</i>
Truong Thanh Viet Nam Industry JSC. – Exceeding money transfer	175,479,445	175,479,445
Truong Thanh Viet Nam Group JSC. - Interests payable	1,055,847,971	-
<i>Payables to other organizations and individuals</i>	<i>1,460,900,757</i>	<i>23,418,304,011</i>
Dong Duong Thang Long Investment and Construction JSC. ⁽ⁱ⁾	1,000,000,000	3,000,000,000
Mr. Hoang Van Dung – Payables for deposit assumed ⁽ⁱⁱ⁾	-	20,000,000,000
Trade Union's expenditure	73,249,723	45,203,623
Social insurance, health insurance, unemployment insurance premiums	137,648,034	-
Other short-term payables	250,003,000	7,093,920
Total	2,692,228,173	23,227,776,988

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The Group has not had any other outstanding payables.

- (i) Including the capital contribution with the Holding Company in accordance with the Joint Venture Agreement No. 2604/2021/TEG-DDTL dated 26 April 2021 to jointly implement “Hoi Van Hot Spring Resort, Health Care and Residential Quarter Project” with the amount of VND 1,000,000,000.
- (ii) Including the deposit in accordance with the Principle Agreement No. 0112/TTNT dated 1 December 2021 between the Holding Company (Party B) and Mr. Hoang Van Dung (Party A) on the provision of consulting service on investment in potential real estate projects. Within 6 months, if Party B successfully introduces and negotiates at least 1 real estate project to Party A, this deposit will be used for payment/deposit to the project transferor. Within 1 month, if Party B fails to successfully introduce and negotiate at least 1 real estate project to Party A, Party B will refund the whole deposit to Party A. During the year, the Company refunded the entire deposit to Mr. Dung through the account designated by Mr. Dung. The parties liquidated the contract in accordance with the Liquidation Minutes dated 15 February 2022.

18. Borrowings and financial leases

18a. Short-term borrowings and financial leases

	<u>Closing balance</u>	<u>Opening balance</u>
<i>Short-term loan from related party</i>	17,297,000,000	759,000,000
Truong Thanh Viet Nam Group JSC.	17,297,000,000	759,000,000
<i>Short-term loans from other organizations and individuals</i>	49,578,400,000	64,804,400,000
Mr. Hoang Van Dung ⁽ⁱ⁾	600,000,000	600,000,000
Mr. Duong Huu Huan ⁽ⁱ⁾	500,000,000	500,000,000
Mr. Vu Bao Long ⁽ⁱ⁾	-	20,000,000,000
Mr. Nguyen Van Quan ⁽ⁱ⁾	17,234,000,000	13,450,000,000
B.Grimm Renewable Power 2 Limited ⁽ⁱⁱ⁾	31,244,400,000	30,254,400,000
<i>Short-term loan from banks</i>	5,664,328,177	2,900,000,000
ACB ⁽ⁱⁱⁱ⁾	2,900,000,000	2,900,000,000
BIDV ^(iv)	2,764,328,177	-
<i>Current portions of financial lease (See Note 18b)</i>	-	213,333,324
Chailease International Leasing Co., Ltd.	-	213,333,324
<i>Current portions of long-term loans (see Note 18b)</i>	2,051,962,773	2,126,526,604
TPBank	200,000,004	-
BIDV	528,000,000	-
OCB	182,712,765	1,160,276,596
Vietinbank	700,000,000	525,000,000
SHB	260,000,000	260,000,004
MB	181,250,004	181,250,004
Total	<u>74,591,690,950</u>	<u>70,803,259,928</u>

The Group has solvency to pay short-term borrowings and financial leases.

- (i) These are the loans from individuals with no collaterals to serve business operation, the terms from 180 days to 1 year, the interest rates from 7% to 15%/year.
- (ii) Truong Thanh Energy JSC. (the subsidiary) received a loan from B.Grimm Renewable Power 2 Limited in accordance with the Loan Agreement dated 1 July 2020 in return for the right to receive 3,062,400 shares of Phu Yen TTP JSC. Total loan is USD 1,320,000 with the interest rates of 15%/year from 1 July 2020 to 24 September 2020 and 5.5%/year from 25 September 2020 to 31 December 2020, the term of 1 year commencing from the debt receipt date. The loan was due on 1 July 2021, however, the parties had not completed extension procedures and had not transferred the ownership right of Phu Yen TTP's shares.

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- (iii) This is the loan that Viet My Investment and Construction JSC. (the subsidiary) borrows from ACB to supplement working capital serving business operation with the loan limit of VND 2,900,000,000, the term of 12 months commencing from the Agreement date (17 September 2020), the interest rate of 8%/year, the interest rate for late payment of 10%/year. The collateral is an apartment owned by Ms. Dao Thi Thanh Hien.
- (iv) Including the loan from BIDV - Tay Ho Branch in accordance with the Limit Credit Agreement No. 01/2022/9608396/HDTD dated 26 August 2022. The purpose is to supplement working capital for business operation. The loan limit is VND 25,000,000,000. The loan term is 12 months. The interest rates are from 7% to 8.5%. Collaterals are land use right and assets associated with land owned by Mr. Dang Trung Kien and his wife, Ms. Dao Thi Thanh Hien.

Details of increase/ (decrease) of short-term borrowings are as follows:

	Short-term loan from related party	Short-term loans from other organizations, individuals	Short-term loan from bank	Current portions of long-term loans	Current portions of financial lease	Total
Opening balance	759,000,000	64,804,400,000	2,900,000,000	2,126,526,604	213,333,324	70,803,259,928
Increase during the year	16,538,000,000	44,950,000,000	2,764,328,177	-	-	64,252,328,177
Transfer from long-term borrowings and financial leases	-	-	-	2,185,296,109	-	2,185,296,109
Exchange rate differences due to revaluation at the closing of the year	-	990,000,000	-	-	-	990,000,000
Amount already paid	-	(61,166,000,000)	-	(2,259,859,940)	(213,333,324)	(63,639,193,264)
Closing balance	<u>17,297,000,000</u>	<u>49,578,400,000</u>	<u>5,664,328,177</u>	<u>2,051,962,773</u>	<u>-</u>	<u>74,591,690,950</u>

18b. Long-term borrowings and financial leases

	Closing balance	Opening balance
<i>Long-term loan from other individual</i>	<u>69,000,000,000</u>	<u>69,000,000,000</u>
Mr. Nguyen Van Quan ⁽ⁱ⁾	69,000,000,000	69,000,000,000
<i>Long-term loans from banks</i>	<u>4,458,812,464</u>	<u>2,179,108,577</u>
OCB ⁽ⁱⁱ⁾	-	198,712,765
Vietinbank ⁽ⁱⁱ⁾	525,000,000	1,400,000,000
SHB ⁽ⁱⁱ⁾	93,833,315	353,833,319
MB ⁽ⁱⁱ⁾	45,312,489	226,562,493
TPBank ⁽ⁱⁱⁱ⁾	666,666,660	-
BIDV ^(iv)	3,128,000,000	-
Total	<u>73,458,812,464</u>	<u>71,179,108,577</u>

- (i) The Holding Company borrows from Mr. Nguyen Van Quan in accordance with the Capital Loan Agreement No. 02/2021/HDVV_TEG dated 9 December 2021 with the term of 18 months commencing from the disbursement date, interest rate of 5%/year. The loan is extended for 36 months (until 8 December 2024).

- (ii) *Viet My Investment and Construction JSC. (the subsidiary) borrows from banks and financial leases, including:*

The loan from OCB – Hanoi Branch in accordance with the Agreements signed in 2017, 2018 and 2019 to pay for purchasing vehicles with the interest rate of 11.5%/year, the term of 4 years commencing from the first disbursement date. The loan is monthly refunded.

The loan from Vietinbank in accordance with the Agreements signed in 2020 to pay for purchasing vehicles with the interest rate of 9%/year, the term of 5 years commencing from the disbursement date, to pay for purchasing truck serving production activities of the Company with the interest rate of 9%/year, the term of 3 years commencing from the first disbursement date. The loan is refunded within 16 periods (every 3 months).

The loan from MB – Hung Yen Branch in accordance with the Loan Agreement signed in 2020 to purchase the excavator. The interest rate as at the disbursement date was 8.5%/year and further adjusted on 18 September, 18 December, 18 March and 18 June annually. The term of loan is 4 years commencing from the first disbursement date. The loan is monthly refunded.

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- (iii) Onsen Hoi Van Limited Liability Company (which is the subsidiary) borrows from TPBank – Binh Dinh Branch in accordance with the Credit Agreement No. 15/2022/HDTD/BID dated 6 April 2022 to pay for purchasing car, with the term of 60 months commencing from the following date of the first disbursement date, the interest rate of 8.9% applied until 19 April 2023.
- (iv) The Holding Company borrows from BIDV – Tay Ho Branch in accordance with the Credit Contract No. 02/2022/9608396/HDTD dated 12 December 2022. The purpose is to purchase the fixed asset which is automobile serving business operation. The loan is VND 3,700,000,000, the term of 84 months. The interest rate is 9.9% in the first 12 months commencing from the disbursement date, then the loan interest rate applied is equal to the Bank's individual savings interest rate in VND of 12 months paid later plus the margin of 3.5%/year, adjusted every 6 months on the first working day of the interest rate adjusting period as notified by the Bank as at the adjustment date.

The above-mentioned loans from banks are ensured by the asset formed by loan capital.

Payment schedule of long-term borrowings and financial leases is as follows:

	Closing balance	Opening balance
1 year and less	2,051,962,773	2,339,859,928
Over 1 year to 5 years	73,458,812,464	71,179,108,577
Over 5 years	-	-
Total	75,510,775,237	73,518,968,505

Details of increases/ (decreases) of long-term borrowings and financial leases are as follows:

	Long-term loan from other individual	Long-term loans from banks	Total
Opening balance	69,000,000,000	2,179,108,577	71,179,108,577
Increase	-	4,700,000,000	4,700,000,000
Transfer to short-term borrowings and financial leases	-	(2,185,296,113)	(2,185,296,113)
Amount already paid during the year	-	(235,000,000)	(235,000,000)
Closing balance	69,000,000,000	4,458,812,464	73,458,812,464

19. Owner's equity

19a. Statement on fluctuations in owner's equity

	Capital	Share premiums	Retained earnings	Interest of non- controlling shareholders	Total
Opening balance of the previous year	323,836,420,000	(231,100,000)	36,386,117,372	88,551,570,217	448,543,007,589
Share of dividends by shares	16,190,350,000	-	(16,190,350,000)	-	-
Share offering to current shareholders	215,890,950,000	-	-	-	215,890,950,000
Share offering through auction	100,000,000,000	6,780,970,000	-	-	106,780,970,000
Share issuance costs	-	(2,588,474,145)	-	-	(2,588,474,145)
Decrease due to the liquidation of subsidiaries	-	-	-	(16,313,297,731)	(16,313,297,731)
Increase due to the transfer of associates to subsidiaries	-	-	(178,746,184)	58,647,821,210	58,469,075,026
Non-controlling shareholders contribute capital into subsidiaries	-	-	-	64,800,000,000	64,800,000,000
Additional purchase from non-controlling shareholders	-	-	(551,450,470)	(3,648,549,530)	(4,200,000,000)
Profit in the previous year	-	-	46,284,128,173	580,301,977	46,864,430,150
Closing balance of the previous year	655,917,720,000	3,961,395,855	65,749,698,891	192,617,846,143	918,246,660,889
Opening balance of the current year	655,917,720,000	3,961,395,855	65,749,698,891	192,617,846,143	918,246,660,889
Share issuance costs	-	(110,000,000)	-	-	(110,000,000)
Profit in the current year	-	-	41,122,469,632	2,545,474,408	43,667,944,040
Closing balance of the current year	655,917,720,000	3,851,395,855	106,872,168,523	195,163,320,551	961,804,604,929

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19b. Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of ordinary shares registered to be issued	65,591,772	65,591,772
Number of ordinary shares already issued	65,591,772	65,591,772
Number of outstanding ordinary shares	65,591,772	65,591,772

Face value of outstanding shares: VND 10,000.

19c. Share issuance plan for charter capital increase

The Resolution of 2022 Annual General Meeting of Shareholders No. 01/2022/NQ-DHDCD dated 31 March 2022 approved the plan on share issuance for charter capital increase, details are as follows:

- *Share issuance for dividend payment to current shareholders*): Additionally, issuing 4,591,424 shares at the face value of VND 10,000/share equivalent to the rate of right realization of 100:7. Payment resource derives from retained earnings in the audited Financial Statements for the year 2021.
- *Share offer to current shareholders*: The number of shares offered is 60,000,000 shares equivalent to the rate of right realization of 1000:914. The offering price is VND 10,000/shares.

Total number of shares expected to be additionally issued is 64,591,424 shares, the corresponding increase in charter capital is VND 645,914,240,000. The General Meeting of Shareholders has authorized the Board of Management to decide and carry out related tasks and procedures for issuance completion.

On 23 June 2022, the Board of Management of the Company approved the plan on share issuance for dividend payment for the year 2021 and share offering to the public to current shareholders in the Resolution No. 14/2022/NQ-HDQT issued on the same day.

On 17 August 2022, the Board of Management of the Company approved the BOM's Resolution No. 20/2022/NQ-HDQT issued on the same day on amending, supplementing and replacing some documents in the public share offering registration dossier.

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

1. Sales

1a. Gross sales

	<u>Current year</u>	<u>Previous year</u>
Sales of merchandises	97,139,090,915	144,893,985,061
Sales of finished goods	77,265,466,537	69,702,942,988
Sales of construction contracts	16,846,169,295	9,279,444,477
Sales of service provisions	31,163,299,662	12,070,090,909
Sales of property trading	-	13,884,000,000
Total	<u>222,414,026,409</u>	<u>249,830,463,435</u>

1b. Sales to related parties

	<u>Current year</u>	<u>Previous year</u>
Truong Thanh Dai Phat JSC.	13,425,000,000	-
Truong Thanh Vietnam Group Joint Stock Company	1,759,917,536	-
Truong Thanh Vietnam Industry JSC.	11,633,785,147	774,236,364

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2. Costs of sales**2a. Gross costs of sales**

	<u>Current year</u>	<u>Previous year</u>
Costs of merchandises sold	84,671,309,919	132,108,418,381
Costs of finished goods sold	68,781,179,931	66,352,982,972
Costs of construction contracts	15,413,741,542	7,634,043,144
Costs of services rendered (*)	1,311,771,426	-
Costs of property trading	-	10,552,585,896
Total	<u>170,178,002,818</u>	<u>216,648,030,393</u>

(*) Including costs of consulting service contracts recognized into revenue during the year. Costs of these contracts only include direct labor costs.

2b. Costs of goods purchased from related parties

During the year, the Group had the transaction of purchasing goods from the related party which is DK Group JSC. with the amount of VND 5,470,000,000 and selling these goods to Truong Thanh Dai Phat JSC. (see Note VI.1b), the gross profit was VND 7,955,000,000.

3. Financial income

	<u>Current year</u>	<u>Previous year</u>
Term deposit interests	111,424,657	-
Demand deposit interests	10,591,848	24,527,279
Interests on investment cooperation contracts	-	93,385,512
Loan interests	7,071,708,906	2,394,361,656
Exchange gain due to the revaluation of monetary items in foreign currencies	-	389,400,000
Proceeds from liquidation of investments	50,901,875,000	41,486,023,538
Total	<u>58,095,600,411</u>	<u>44,387,697,985</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	6,342,606,823	3,648,264,722
Loss due to the revaluation of costs of former investment in subsidiaries at fair value as at the date of taking control right	-	26,353,754,816
Exchange loss due to the revaluation of monetary items in foreign currencies	990,000,000	-
Provision for investment loss	3,116,997,524	559,510,186
Total	<u>10,449,604,347</u>	<u>30,561,529,724</u>

5. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Employees	438,072,789	382,789,682
Other expenses	32,926,676	10,752,688
Total	<u>470,999,465</u>	<u>393,542,370</u>

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6. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Employees	12,821,982,750	5,498,628,275
Materials, supplies	181,426,000	19,426,044
Office supplies	1,734,633,357	1,027,110,186
Allocation of trade advantage	5,041,185,493	5,041,185,493
Depreciation/ (amortization) of fixed assets	875,115,715	858,559,036
Allowance for doubtful debts	73,950,000	-
Taxes, fees and legal fees	123,295,283	55,987,697
Other expenses	5,876,557,132	1,924,162,383
Total	<u>26,728,145,730</u>	<u>14,425,059,114</u>

7. Other incomes

	<u>Current year</u>	<u>Previous year</u>
Gain from cheap purchasing transactions	-	28,717,359,000
Other incomes	552,816	29,375
Total	<u>552,816</u>	<u>28,717,388,375</u>

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Tax fines and tax collected in arrears	738,387,606	77,578,468
Contract compensation (*)	14,000,000,000	46,131,682
Other expenses	138,255,488	4,939,526
Total	<u>14,876,643,094</u>	<u>128,649,676</u>

(*) TRUONG THANH 108., JSC (the subsidiary) compensated Vietnam Smart City JSC. for failing to fulfill its commitments under the Framework Contract on brokerage and product marketing for Nghia An Rural Residence and Commercial Service Complex Project – Quang Ngai signed on 28 June 2019. According to the Minutes of Liquidation dated 15 February 2022, the subsidiary compensated Vietnam Smart City JSC. the amount of VND 14 billion. The parties agreed that there were no longer any obligations to the other party arising from the above contract.

9. Earnings per share**9a. Basic earnings/Diluted earnings per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax of the Holding Company's shareholders	41,122,469,632	46,284,128,173
Increases/ (decreases) in accounting profit used to determine profit distributed to ordinary equity holders:	-	-
Profit used to calculate basic earnings/diluted interest per share	41,122,469,632	46,284,128,173
Average number of ordinary shares outstanding during the year	65,591,772	41,359,042
Basic earnings/Diluted earnings per share	<u>627</u>	<u>1,119</u>

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Average ordinary shares outstanding during the year are calculated as follows:

	<u>Current year</u>	<u>Previous year</u>
Ordinary shares outstanding at the opening of the year	65,591,772	32,383,642
Effects of 31,589,095 ordinary shares issued on 8 October 2021	-	7,356,365
Effects of 1,619,035 ordinary shares issued on 8 October 2021 for dividend payment	-	1,619,035
Average ordinary shares outstanding during the year	<u>65,591,772</u>	<u>41,359,042</u>

9b. Other information

There have not been any transactions of ordinary shares or potential transactions of ordinary shares from the balance sheet date to the disclosure date of these Consolidated Financial Statements.

10. Operating costs

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	58,919,489,913	64,409,731,595
Labor	17,046,317,428	9,288,683,090
Depreciation/ (amortization) of fixed assets	6,315,801,763	6,387,628,357
Expenses for trade advantage allocated	5,041,185,493	5,041,185,493
External service rendered	18,954,804,733	5,289,724,109
Other expenses	5,630,323,500	1,480,381,780
Total	<u>111,907,922,830</u>	<u>91,897,334,424</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**1. Depreciation of fixed assets and investment properties (Code 02)**

	<u>Current year</u>	<u>Previous year</u>
Depreciation of tangible fixed assets	6,167,147,215	6,242,256,792
Depreciation of financial leased assets	148,654,548	148,654,548
Gain from cheap purchasing transactions	-	(28,717,359,000)
Trade advantage allocated	5,041,185,493	5,041,185,493
Total	<u>11,356,987,256</u>	<u>(17,285,262,167)</u>

2. Payment of purchase, construction of fixed assets and other non-current assets (Code 21)

	<u>Current year</u>	<u>Previous year</u>
Direct payment of purchase, construction of fixed assets and other non-current assets	(37,762,582,180)	(196,245,258)
Plus (+) balance of fixed assets, investment properties and other non-current assets (as at the liquidation date) of subsidiaries liquidated during the year		2,854,104,139
Less (-) balance of fixed assets, investment properties and other non-current assets (as at the purchasing date) of subsidiaries purchased during the year		(982,991,820)
Total	<u>(37,762,582,180)</u>	<u>1,674,867,061</u>

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3. Payment of investments into other entities (Code 25)	<u>Current year</u>	<u>Previous year</u>
Payment of additional purchase of 108TT's shares		(4,200,000,000)
(Net) payment of purchase of TTP's shares		(315,788,391,605)
Payment of investment in Truong Thanh Island	(4,800,000,000)	-
Payment of investments into other entities		(40,249,990,000)
Total	<u>(4,800,000,000)</u>	<u>(360,238,381,605)</u>

4. Receipt of investments into other entities (Code 26)	<u>Current year</u>	<u>Previous year</u>
(Net) receipt from liquidation of subsidiaries		79,176,152,648
Receipt from liquidation of associates		22,000,000,000
Receipt from selling Nam Minh's shares		10,060,000,000
Receipt from advance for selling shares of Truong Thanh Quang Ngai Power and High Technology JSC.		68,131,041,369
Total	<u>-</u>	<u>179,367,194,017</u>

VIII. OTHER DISCLOSURES**1. Balances and transactions with related parties**

Related parties of the Group include: the key managers, their related individuals and other related parties.

1a. Balances and transactions with key managers and their related individuals

The key managers include: the members of the Board of Management, the Board of Control (BOC), the Board of Directors and the Chief Accountant. Related individuals with the key managers are their relatives.

Transactions with key managers and their related individuals

The Company has not had any transactions of sales of goods and service provisions with the key managers and their related individuals. The Company has only had the following transactions with the BOM members and the Executive Officers:

	<u>Current year</u>	<u>Previous year</u>
<i>Members of the BOM</i>		
Mr. Dang Trung Kien – Advance	100,000,000	1,000,000,000
Mr. Le Dinh Ngoc – Advance		5,100,000,000
Ms. Dao Thi Thanh Hien – Advance		3,575,000,000
<i>Members of the Board of Directors</i>		
Mr. Nguyen Hong Thang – Advance		10,000,000
Mr. Dang Tran Quyet – Advance		15,000,000
<i>Related individuals with key managers</i>		
Ms. Dang Thi Phuong Hoa – Advance		98,549,000,000
Ms. Dang Thi Phuong Hoa – Refund of advance	58,548,443,269	

Liabilities with key managers and their related individuals

Liabilities with the key managers and their related individuals are presented in Note V.6.

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Receivable from the key managers and their related individuals and will be paid in cash. No allowance for doubtful debts has been prepared for receivable from the key managers and their related individuals.

Income of key managers

	Position	Salary	Allowance	Total income
<i>Current year</i>				
Mr. Dang Trung Kien	Chairman	-	36,000,000	36,000,000
Mr. Hoang Dinh Loi	Vice Chairman	-	36,000,000	36,000,000
Mr. Hoang Manh Huy	Board member cum General Director	-	36,000,000	36,000,000
Mr. Le Dinh Ngoc	Board member	-	36,000,000	36,000,000
Mr. Akahane Seiji	Independent member	-	36,000,000	36,000,000
Mr. Tran Tuan Phong	Independent member	-	36,000,000	36,000,000
Mr. Mac Quang Huy	Board member	-	36,000,000	36,000,000
Ms. Dao Thi Thanh Hien	Board member	-	36,000,000	36,000,000
Mr. Kundun Sukhumananda	Independent member	-	-	-
Mr. Ha Ngoc Minh	Board member	-	27,000,000	27,000,000
Mr. Nguyen Anh Tuan	Board member	-	27,000,000	27,000,000
Mr. Phan Ngoc Anh Cuong	Board member	-	36,000,000	36,000,000
Mr. Thaweesak Unprasert	Independent member	-	-	-
Mr. Dao Xuan Duc	Manager of BOC	-	36,000,000	36,000,000
Ms. Ninh Thi Thanh	Member of BOC (until 31 March 2022)	-	3,000,000	3,000,000
Ms. Nguyen Thuy Quynh	Member of BOC (until 31 March 2022)	-	3,000,000	3,000,000
Mr. Pham Duy Hoan	Member of BOC (since 31 March 2022)	-	9,000,000	9,000,000
Ms. Tran Thi Hanh	Member of BOC (since 31 March 2022)	-	9,000,000	9,000,000
Mr. Dang Tran Quyet	Deputy General Director	742,800,000	-	742,800,000
Mr. Nguyen Hong Thang	Deputy General Director /Chief Accountant	242,400,000	-	242,400,000
Mr. Nguyen Quang Vinh	Deputy General Director	330,000,000	-	330,000,000
Total		1,315,200,000	438,000,000	1,753,200,000

	Position	Salary	Allowance	Total income
<i>Previous year</i>				
Mr. Dang Trung Kien	Chairman	-	36,000,000	36,000,000
Mr. Hoang Dinh Loi	Vice Chairman	-	36,000,000	36,000,000
Mr. Phan Ngoc Anh Cuong	Board member	-	36,000,000	36,000,000
Mr. Hoang Manh Huy	Board member cum General Director	-	36,000,000	36,000,000
Mr. Le Dinh Ngoc	Board member	-	36,000,000	36,000,000
Mr. Akahane Seiji	Independent member	-	36,000,000	36,000,000
Mr. Tran Tuan Phong	Independent member	-	24,000,000	24,000,000
Mr. Dao Xuan Duc	Manager of BOC	-	36,000,000	36,000,000
Ms. Ninh Thi Thanh	Member of BOC	-	12,000,000	12,000,000
Ms. Nguyen Thuy Quynh	Member of BOC	-	12,000,000	12,000,000
Mr. Dang Tran Quyet	Deputy General Director	334,200,000	-	334,200,000
Mr. Nguyen Hong Thang	Deputy General Director /Chief Accountant	65,010,000	-	65,010,000
Mr. Nguyen Quang Vinh	Deputy General Director	82,500,000	-	82,500,000
Total		481,710,000	300,000,000	781,710,000

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Notes to the Consolidated Financial Statements (cont.)

1b. Balances and transactions with other related parties

Other related parties of the Group include:

<u>Other related parties</u>	<u>Relationship</u>
Truong Thanh Island Tourism JSC.	Associate
Truong Thanh Vietnam Group JSC.	Large shareholder
Truong Thanh Green Technology JSC.	With the same key managers
Viet My Industrial Investment and Construction JSC.	With the same key managers
Quang Phu Renewable Energy JSC.	With the same key managers
Dong Hai Wind Power JSC.	With the same key managers
DK Group JSC.	With the same key managers
Truong Thanh Vietnam Industry JSC.	Related party of large shareholder

Transactions with other related parties

Apart from transactions of service provisions as presented in Notes VI.1b, the Group has also had other transactions with other related parties as follows:

	<u>Current year</u>	<u>Previous year</u>
Truong Thanh Viet Nam Group JSC.		
Assuming transfer of shares of Truong Thanh Energy JSC.	-	315,890,949,000
Capital loan to related parties	-	6,700,000,000
Capital loan from related parties	16,538,000,000	759,000,000
Office rental	-	240,000,000
Loan interest receivable from related parties	-	881,774,772
Loan interest payable to related parties	1,050,335,999	-
Truong Thanh Viet Nam Industry JSC.		
Loan interest receivable from related parties	-	437,140,418
Viet My Industrial Investment and Construction JSC.		
Capital loan to related parties	130,000,000,000	-
Loan interest receivable from related parties	5,437,835,616	-

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.3, V.5, V.6, V.13, V.14, V.17 and V.18.

Receivables from other related parties are unsecured and will be paid in cash. No allowance for doubtful debts has been prepared for receivable from other related parties.

2. Segment information

The primary reporting format is presented according to the business segments based on the internal organizational and management structure as well as the system of internal financial reporting of the Group.

2a. Information on business segment

The Group has had the following major business segments:

- Trading segment;
- Service segment;
- Construction segment (being an intermediary to hire subcontractors);
- Property trading segment;
- Financial investment segment (loan and investments into other entities);
- Concrete production segment,

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Information on financial performance, fixed assets, other long-term assets and values of non-cash large expenses according to the Group's business segments is as follows:

	Trading segment	Service segment	Construction segment	Property trading segment	Financial investment segment ^(*)	Concrete production segment	Total
Current year							
Net external sales	97,139,090,915	31,163,299,662	16,846,169,295	-	58,085,008,563	77,265,466,537	280,499,034,972
Net inter-segment sales							
Total net sales	97,139,090,915	31,163,299,662	16,846,169,295	-	58,085,008,563	77,265,466,537	280,499,034,972
Segment expenses	(84,671,309,919)	(1,311,771,426)	(15,413,741,542)	-	(3,116,997,524)	(68,781,179,931)	(173,295,000,342)
Segment financial performance	12,467,780,996	29,851,528,236	1,432,427,753	-	54,968,011,039	8,484,286,606	107,204,034,630
Expenses not attributable to segments							27,199,145,195
Operating profit							80,004,889,435
Other financial income							10,591,848
Other financial expenses							(7,332,606,823)
Other income							552,816
Other expenses							(14,876,643,094)
Current income tax							(14,138,840,142)
Profit after tax							43,667,944,040
Total expenses for acquisition of fixed assets and other non-current assets							37,762,582,180
Total depreciation/ (amortization) and allocation of long-term prepayments							11,454,900,026
Previous year							
Net external sales	144,893,985,061	12,070,090,909	9,279,444,477	13,884,000,000	72,658,905,955	69,702,942,988	322,489,369,390
Net inter-segment sales							
Total net sales	144,893,985,061	12,070,090,909	9,279,444,477	13,884,000,000	72,658,905,955	69,702,942,988	322,489,369,390
Segment expenses	(132,108,418,381)	-	(7,634,043,144)	(10,552,585,896)	(26,930,790,871)	(66,352,982,972)	(243,578,821,264)
Segment financial performance	12,785,566,680	12,070,090,909	1,645,401,333	3,331,414,104	45,728,115,084	3,349,960,016	78,910,548,126
Expenses not attributable to segments							(14,818,601,484)
Operating profit							64,091,946,642
Other financial income							413,927,279
Loan interest expenses							(3,648,264,722)
Other income							29,375
Other expenses							(128,649,676)
Current income tax							(13,864,558,748)
Profit after tax							46,864,430,150

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Notes to the Consolidated Financial Statements (cont.)

	Trading segment	Service segment	Construction segment	Property trading segment	Financial investment segment (*)	Concrete production segment	Total
<i>Total expenses for acquisition of fixed assets and other non-current assets</i>							605,267,273
<i>Total depreciation/ (amortization) and allocation of long-term prepayments</i>							10,609,346,749
(*) For the financial investment segment, sales include dividends shared, proceeds from liquidation of investments, term deposit interests and loan interests. Direct costs include loss on liquidation of investments, provision for investment loss.							
Assets and liabilities according to the Group's business segments are as follows:							
	Trading segment	Service segment	Construction segment	Property trading segment	Financial investment segment	Production segment	Total
Closing balance							
Direct assets of segment	8,591,400,000	22,650,000,000	35,265,796,097	47,615,861,352	633,359,763,829	42,053,622,373	789,536,443,651
Allocated assets							
Unallocated assets							444,045,017,116
Total assets							1,233,581,460,767
Direct liabilities of segment				220,000,000	-	47,378,260,583	47,598,260,583
Allocated liabilities							
Unallocated liabilities							224,178,595,255
Total liabilities							271,776,855,838
Opening balance							
Direct assets of segment	-	13,000,000,000	1,152,553,098	45,229,569,240	707,007,492,247	50,800,930,864	817,190,545,449
Allocated assets							
Unallocated assets							407,363,306,977
Total assets							1,224,553,852,426
Direct liabilities of segment				-	68,131,041,369	44,518,534,293	112,649,575,662
Allocated liabilities							
Unallocated liabilities							193,657,615,875
Total liabilities							306,307,191,537

(*) For the financial investment segment, direct assets include term deposits; loans given; receivables for liquidation of investments, receivables for deposit interests, dividends, profits shared; investments into associates, investments in other entities. Direct liabilities include payables for purchasing shares/investments.

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2b. Information on geographical segment

All operations of the Group only take place in the Vietnamese territory.

3. Subsequent events

There have been no material events after the balance sheet date, which require to make adjustments on the figures or disclosures in the Consolidated Financial Statements.

Prepared on 30 March 2023

Prepared by



Nguyen Thi Hoa Vy

Chief Accountant



Nguyen Hong Thang

General Director



Hoang Manh Huy

