

Separate Financial Statements

Transport Engineering Design Inc

For the fiscal year ended as at 31 December 2021
(Audited)

S.D.

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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Transport Engineering Design Inc (“the Company”) presents its report and the Company’s Separate Financial Statements for the year ended as at 31 December 2021.

THE COMPANY

Transport Engineering Design Inc was established under the Business Certificate No. 0100107839 dated 28/09/2010 and its amendments issued by Hanoi Department of Planning and Investment.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

Members of the Board of Management during the fiscal year and to the reporting date are:

Mr. Hitoshi Yahagi	Chairman
Mr. Pham Huu Son	Vice chairman
Mr. Phung Tien Trung	Member
Mr. Do Minh Dung	Member
Mr. Dao Ngoc Vinh	Member

Members of the Board of General Directors during the fiscal year and to the reporting date are:

Mr. Pham Huu Son	General Director	
Mr. Nguyen Trung Hong	Deputy General Director	Resigned on 24/09/2021
Mr. Do Minh Dung	Deputy General Director	
Mr. Nguyen Manh Ha	Deputy General Director	
Mr. Dao Ngoc Vinh	Deputy General Director	
Mr. Bui Tran Long	Deputy General Director	Appointed on 24/09/2021

Members of the Board of Supervision are:

Mrs. Pham Thi Hong Nhung	Head of the Board
Mr. Ngo Nam Ha	Member
Mr. Vo Hoang Anh	Member

AUDITORS

The auditors of the AASC Limited have taken the audit of the Separate Financial Statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Separate Financial Statements which give a true and fair view of the financial position of the Company, its operating results and its cash flows for the year. In preparing those Separate Financial Statements, the Board of General Directors is required to:

- ▶ Establish and maintain an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Separate Financial Statements do not contain any material misstatement caused by errors or frauds;
- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Make judgments and estimates that are reasonable and prudent;
- ▶ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Separate Financial Statements;
- ▶ Prepare the Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- ▶ Prepare the Separate Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Transport Engineering Design Inc

No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Separate Financial Statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Separate Financial Statements give a true and fair view of the financial position at 31 December 2021, its operation results and cash flows in the year 2021 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Other commitments

The Board of General Directors pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on elaboration of some articles of the law on securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of the Board of General Directors



A red circular stamp with the text "M.SDN. 0100107839" at the top, "TÔNG CÔNG TY TƯ VẤN THIẾT KẾ GIAO THÔNG VÀ TÀI CHÍNH" in the center, and "CTCP HANOI" at the bottom. A blue ink signature is written over the stamp.

Phạm Hữu Sơn
General Director

Hanoi, 08 March 2022

No.: 080322.008/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT

To: The shareholders, the Board of Management and the Board of General Directors
Transport Engineering Design Inc

We have audited the Separate Financial Statements of Transport Engineering Design Inc ("the Company") prepared on 08 March 2022, from page 05 to page 37, which comprise Separate Statement of financial position as at 31 December 2021, Separate Statement of income, Separate Statement of cash flows and Notes to the separate financial statements for the fiscal year ended as at 31 December 2021.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of Separate Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of separate financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Auditor's opinion

In our opinion, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position of the Transport Engineering Design Inc as at 31 December 2021, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.



Do Mạnh Cường
Deputy General Director
Registered Auditor No.
0744-2018-002-1



Nguyen Pham Hung
Auditor
Registered Auditor No.
2893-2020-002-1

Hanoi, 08 March 2022

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

Code	ASSETS	Note	31/12/2021	01/01/2021
			VND	VND
100	A. CURRENT ASSETS		353,053,366,807	343,621,975,042
110	I. Cash and cash equivalents	3	20,718,945,454	44,211,877,902
111	1. Cash		20,718,945,454	28,406,342,302
112	2. Cash equivalents		-	15,805,535,600
120	II. Short-term investment		20,000,000,000	25,000,000,000
123	1. Short-term held to maturity	4	20,000,000,000	25,000,000,000
130	III. Short-term receivables		171,147,918,434	111,637,181,531
131	1. Short-term trade receivables	5	143,750,120,230	85,091,122,097
132	2. Short-term advances to suppliers	6	27,049,823,565	16,889,433,685
136	3. Other short-term receivables	7	15,714,872,479	20,943,654,416
137	4. Provisions for short-term bad debts		(15,366,897,840)	(11,287,028,667)
140	IV. Inventories	8	141,186,502,919	162,725,026,616
141	1. Work in progress		141,186,502,919	162,725,026,616
150	V. Other current assets		-	47,888,993
153	1. Tax and other receivables from the State	12	-	47,888,993
200	B. NON-CURRENT ASSETS		110,964,628,509	108,493,657,504
220	II. Fixed assets		50,738,156,311	49,711,190,768
221	1. Tangible fixed assets	10	50,296,214,588	48,769,069,086
222	- Cost		138,975,037,627	134,255,394,383
223	- Accumulated depreciation		(88,678,823,039)	(85,486,325,297)
227	2. Intangible fixed assets	10	441,941,723	942,121,682
228	- Cost		6,296,377,327	6,546,377,327
229	- Accumulated amortisation		(5,854,435,604)	(5,604,255,645)
250	V. Long-term investments		53,519,278,495	53,317,778,495
251	1. Investments in subsidiaries	4	53,519,278,495	53,317,778,495
260	VI. Other non-current assets		6,707,193,703	5,464,688,241
261	1. Long-term prepaid expenses	9	6,704,327,957	5,455,004,162
262	2. Deferred tax assets	26	2,865,746	9,684,079
270	TOTAL ASSETS		464,017,995,316	452,115,632,546

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Continued)

Code	RESOURCES	Note	31/12/2021 VND	01/01/2021 VND
300	C. LIABILITIES		303,176,645,863	301,894,435,352
310	I. Current liabilities		302,216,008,235	300,910,972,724
311	1. Short-term trade payables	11	27,362,506,469	20,058,013,991
312	2. Short-term advances from customers	14	133,212,277,924	194,839,714,684
313	3. Tax payables and statutory obligations	12	5,588,378,618	2,302,490,026
314	4. Payables to employees	15	24,168,162,466	17,751,689,990
315	5. Short-term accrued expenses	16	51,822,861,183	35,830,003,316
319	6. Other short-term payables	17	19,920,333,860	12,350,796,272
320	7. Short-term loans and liabilities	13	38,623,310,316	14,132,117,046
321	8. Provision for short-term payables		-	2,000,000,000
322	9. Bonus and welfare funds		1,518,177,399	1,646,147,399
330	II. Long-term liabilities		960,637,628	983,462,628
337	1. Other long-term payables	17	960,637,628	983,462,628
400	D. EQUITY		160,841,349,453	150,221,197,194
410	I. Owners' equity	18	160,841,349,453	150,221,197,194
411	1. Contributed charter capital		125,000,000,000	125,000,000,000
411a	- Ordinary shares with voting right		125,000,000,000	125,000,000,000
412	2. Share premium		815,232,000	815,232,000
421	3. Retained earnings		35,026,117,453	24,405,965,194
421a	- Retained earnings accumulated to previous year		2,585,465,194	1,579,050,965
421b	- Undistributed profit of this year		32,440,652,259	22,826,914,229
440	TOTAL RESOURCES		464,017,995,316	452,115,632,546



Tang Thi Thu Hien
Preparer



Trương Minh Sơn
Chief Accountant



Phạm Hữu Sơn
General Director

Hanoi, 08 March 2022

SEPARATE STATEMENT OF INCOME
Year 2021

Code	ITEMS	Note	Year 2021 VND	Year 2020 VND
01	1. Gross revenue from services rendered	20	402,686,243,146	368,635,274,243
02	2. Less deductions	20	6,669,369,940	1,143,656,165
10	3. Net revenue from services rendered	20	396,016,873,206	367,491,618,078
11	4. Cost of services rendered	21	294,057,375,863	281,216,525,708
20	5. Gross profit from services rendered		101,959,497,343	86,275,092,370
21	6. Financial income	22	10,741,222,309	13,106,110,108
22	7. Financial expenses	23	1,655,960,610	2,116,016,209
23	<i>In which: Interest expense</i>		1,655,040,554	507,857,984
25	8. Selling expenses		-	-
26	9. General administrative expenses	24	70,754,104,063	70,280,010,611
30	10. Operating profit		40,290,654,979	26,985,175,658
31	11. Other incomes		248,226,966	122,218,962
32	12. Other expenses		1,081,024,796	247,316,303
40	13. Other loss		(832,797,830)	(125,097,341)
50	14. Accounting profit before tax		39,457,857,149	26,860,078,317
51	15. Corporate income tax - current	25	6,310,386,557	3,426,345,755
52	16. Corporate income tax - deferred	26	6,818,333	6,818,333
60	17. Net profit after tax		<u>33,140,652,259</u>	<u>23,426,914,229</u>



Tang Thi Thu Hien
Preparer



Trương Minh Sơn
Chief Accountant



Phạm Hữu Sơn
General Director

Hanoi, 08 March 2022

SEPARATE STATEMENT OF CASH FLOWS

Year 2021
(Direct method)

Code	ITEMS	Note	Year 2021 VND	Year 2020 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Proceeds from sales of goods and rendering of services and other revenues		313,640,094,464	414,181,279,317
02	2. Cash paid to suppliers		(128,705,090,694)	(173,447,185,512)
03	3. Cash paid to employees		(110,697,114,884)	(100,430,253,219)
04	4. Interests paid		(1,655,040,554)	(1,163,953,967)
05	5. Corporate income tax paid		(6,487,949,350)	(2,761,109,918)
06	6. Other receipts from operating activities		2,124,749,657	9,291,212,257
07	7. Other payments on operating activities		(106,964,917,275)	(117,604,420,626)
20	Net cash flow from operating activities		(38,745,268,636)	28,065,568,332
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(6,256,299,673)	(4,219,626,182)
23	2. Loans and purchase of debt instruments from other entities		-	(10,800,000,000)
24	3. Collection of loans and resale of debt instrument of other entities		5,000,000,000	15,800,000,000
25	4. Equity investments in other entities		(201,500,000)	(1,059,060,000)
26	5. Proceeds from equity investment in other entities		-	470,416,133
27	6. Interest and dividend received		11,635,812,413	11,274,999,012
30	Net cash flow from investing activities		10,178,012,740	11,466,728,963
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		94,450,785,878	82,031,546,854
34	2. Repayment of principal		(69,959,592,608)	(83,210,119,527)
36	3. Dividends and profits paid to owners		(19,419,365,000)	(18,712,950,000)
40	Net cash flow from financing activities		5,071,828,270	(19,891,522,673)
50	Net cash flows in the year		(23,495,427,626)	19,640,774,622
60	Cash and cash equivalents at the beginning of the year		44,211,877,902	24,565,091,870
61	Effect of exchange rate fluctuations		2,495,178	6,011,410
70	Cash and cash equivalents at the end of the year	3	20,718,945,454	44,211,877,902


Tang Thi Thu Hien
Preparer


Trương Minh Sơn
Chief Accountant


Phạm Hữu Sơn
General Director

Hanoi, 08 March 2022

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year 2021

1. GENERAL INFORMATION

Form of ownership

Transport Engineering Design Inc was established under the Business Certificate No. 0100107839 dated 28/09/2010 and its amendments issued by Hanoi Department of Planning and Investment.

Charter capital of the company at 31/12/2021 is VND 125 billion, equivalent to 12,500,000 shares, par value per share is VND 10,000.

Business field

Main business activities of the Company include:

- ▶ Construction consultancy, design, supervision, relating technical assessment (bridge, tunnel; port - waterway construction; railway, etc.);
- ▶ Technical inspection and analysis, measurement of construction materials as well as indicators of geological, hydrological and environmental; transport, civil and industrial engineering works; Quality control, load testing of civil and industrial transportation engineering works.

The Company's operation in the year that affects the Separate Financial Statements

In 2021, the value accepted and accepted for payment increased compared to 2020 because of completing progress of the works and the acceptance of the investors. This resulted in an increase in revenue, cost of goods sold and profit compared to the previous year.

Corporate structure

Besides its head office at 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi, the Company has the following dependent units:

<u>No</u>	<u>Name</u>	<u>Address</u>	<u>Operation</u>
1	Construction - Architecture Design Consulting Company Limited	No. 278, Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Ha Noi	Related technical inspection, consulting, technical inspection and analysis,....
2	Ho Chi Minh City branch	No. 15 (on the right) Hoang Hoa Tham Street, Ward 6, Binh Thanh District, Ho Chi Minh City.	Construction consultancy, design, supervision, relating technical assessment, technical inspection and analysis,....

Information about the Company's subsidiaries: details in Note 04.

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 Accounting period and accounting currency

Annual accounting period commences from 01 January and ends on 31 December.
The Company maintains its accounting records in Vietnam Dong (VND).

2.2 Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC

dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 Basis for preparation of Separate Financial Statements

Separate Financial Statements of the Company are prepared based on summarization of transactions incurred and recorded into accounting books of dependent accounting entities and the head office of the Company.

In the Separate Financial Statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payables are eliminated in full.

The users of this Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Company and its subsidiaries (the "Group") for the fiscal year ended as at 31/12/2021 in order to gain enough information regarding the financial position, operating results and cash flows of the Group.

2.4 Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on the revaluation of financial instruments after initial recognition.

2.5 Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Separate Financial Statements is determined under the following principles:

- For foreign currency deposited in bank: applying the bid rate of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) of 22,680 VND/USD;

All exchange differences arising as a result of transactions or revaluation at the balance sheet date shall be recorded into the financial income or expense in the fiscal year. In which, exchange differences arising as a result of the revaluation at the balance sheet date of monetary items denominated in foreign currencies are not used to distribute profits or to distribute dividends.

2.6 Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.7 Financial investments

Investments held to maturity comprise term deposits held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiaries, joint ventures or associates are initially recognized at original cost. After initial recognition, the value of these investments is measured at original cost less provision for devaluation of investments.

For dividends received in the form of shares, only the number of shares received is recorded without any increase in the investment value and financial income.

Provision for devaluation of investments is made at the end of the year as follows:

- With regard to investments held to maturity: the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.
- With regard to investments in subsidiaries, provision for devaluation of investments is made when the investee has incurred a loss, the provision shall be made based on the financial statements of subsidiaries at the provision making date.

2.8 Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. Receivables are classified as short-term and long-term in the interim separate financial statements based on the remaining term of the receivables at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

2.9 Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated using specific identification method.
Inventory is recorded by perpetual method.

At the end of the period, the value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the period.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.10 Fixed assets

Fixed assets (tangible and intangible) are recorded at cost deduct accumulated depreciation. Historical cost includes expenses that are directly attributable to the acquisition of fixed assets to bring it to the ready-for-use purpose.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

▶ Buildings, structures	05 – 50 years
▶ Machinery, equipment	03 – 20 years
▶ Vehicles, transportation equipment	06 – 30 years
▶ Office equipment and furniture	03 – 10 years
▶ Other tangible fixed assets	04 – 25 years
▶ Software	03 – 08 years

2.11 Operating leases

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the year of the lease.

2.12 Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods. The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature, degree of each expense to select a reasonable allocation method and criteria.

Prepaid expenses of the Company include:

- ▶ Prepaid land expenses include prepaid land rental, including those related to leased land for which the Company has received the land use right certificate but is not eligible to recognize as intangible fixed assets under Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding regulation on management, use and depreciation/amortization of fixed assets and other incurred expenses related to guarantee the use of leased land. These costs are recognized in the interim separate statement of income on a straight-line basis over the term of the lease contract.
- ▶ Tools and supplies include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recognition as fixed assets according to current regulations. Cost of tools and supplies is amortized on a straight-line basis over a period of 15 to 60 months
- ▶ Goodwill arising from the equitization of state-owned enterprise is allocated gradually within no more than 10 years.
- ▶ Other prepaid expenses are recognized at cost and amortized on a straight-line basis over their useful lives from 02 to 06 years.

2.13 Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. Payables are classified as short-term and long-term in the interim separate financial statements based on the remaining term of the payables at the reporting date.

2.14 Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.15 Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs".

2.16 Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers during the reporting period, but the payments for such goods or services have not been made, which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.17 Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. The distribution of net profits is made when the net profit of the company does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- ▶ Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- ▶ Bonus and welfare fund and bonus for the Board of Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Separate Statement of Financial Position.

Dividends to be paid to shareholders are recognised as a payable in the Separate Statement of Financial position after the Resolution of General Meeting of Shareholders.

2.18 Revenues

Rendering of services

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- ▶ The amount of the revenue can be measured reliably; and
- ▶ It is probable that the economic benefits associated with the transaction will flow to the Company; and

- ▶ The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- ▶ The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In which, "the possibility of obtaining economic benefits from rendering of service transactions" is determined when the expenditure control agency approves disbursements for the Project, after the Project's owner has approved implementation work volume and value.

Financial income

Financial incomes include income from interest and foreign exchange gain should be recognized when it is probable that the economic benefits associated with the transaction will flow to the Company; and the amount of the revenue can be measured reliably.

2.19 Revenue deductions

Revenue deductions from service provisions arising in the year is trade discounts.

Trade discount incurred in the same year of rendering of services are recorded as a decrease in revenue in the incurring year. In case services are sold in the previous years, but until the next year they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Separate Financial Statements of the reporting year (the previous year); and if it is incurred after the issuance of Separate Financial Statements, it is recorded as a decrease in revenue of incurring year (the next year).

2.20 Cost of services rendered

The recognition of cost of services rendered is matched against revenue in the year and complies with the prudence principle.

2.21 Financial expenses

Items recorded into financial expenses comprise:

- ▶ Expenses or losses relating to financial investment activities;
- ▶ Borrowing costs;
- ▶ Loss due to foreign exchange differences.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.22 Corporate income tax

Deferred income tax asset

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits.

Deferred income tax asset are determined based on current corporate income tax rate.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

Current corporate income tax rate

The Company is subject to corporate income tax of 20% for the year 2021.

2.23 Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- ▶ Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- ▶ Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- ▶ Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Separate Financial Statements, the Company consider the nature of the relationship, not just the legal form of the relationship.

2.24 Segment information

The Company's operating activities are mainly design consultancy, supervision consultancy for traffic works in the territory of Vietnam. As the total revenue from all sectors or from gross sale outside Vietnam's geographic area accounts for a modest proportion of the total revenue of all divisions, the Company does not prepare segment reports by business sector and geographic area.

3. Cash and cash equivalents

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Cash on hand	4,315,274,311	3,622,183,958
Cash in bank	16,403,671,143	24,784,158,344
Cash equivalents	-	15,805,535,600
	<u>20,718,945,454</u>	<u>44,211,877,902</u>

4. Financial investments

Held to Maturity Investment

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Term deposit	20,000,000,000	25,000,000,000
	<u>20,000,000,000</u>	<u>25,000,000,000</u>

Held to Maturity Investments are 12-month term deposits at Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch and Military Commercial Joint Stock Bank - Dien Bien Phu Branch with interest rates from 4.9 - 5.0% per year.

The total value of term deposits as collateral for loans as at 31 December 2021 is VND 20 billion (see details at Note 13).

Investment in subsidiaries

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Waterway Engineering Consultant JSC	2,903,313,669	2,903,313,669
Geotechnical and Inspection - Design Consultant Construction JSC (i)	8,137,951,975	7,936,451,975
Transport Engineering Consultant JSC No.2	5,495,993,461	5,495,993,461
Transport Engineering Design Consultant JSC No.4	2,701,818,608	2,701,818,608
Transport Engineering Consultant JSC No.5	7,030,053,149	7,030,053,149
Bridge - Tunnel Engineering Consultant JSC	7,347,124,822	7,347,124,822
Highway Engineering Consultant JSC	7,222,223,491	7,222,223,491
Road and Bridge Engineering Consultants JSC	4,030,440,000	4,030,440,000
Port & Waterway Engineering Consultant JSC	4,384,470,000	4,384,470,000
Asia Pacific Engineering Consultants Company	4,265,889,320	4,265,889,320
	<u>53,519,278,495</u>	<u>53,317,778,495</u>

Fair value of these financial investments has not been determined by the Company as the Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System have not yet provided specific guidance on determining fair value.

- (i) During the year, the Company purchased 13,000 shares in Geotechnical and Inspection - Design Consultant Construction JSC from other investors, equivalent to the total par value of VND 130,000,000, costs of such shares equal to VND 201,500,000. After the transaction, on 31 December 2021 the Company owns 705,251 shares of Geotechnical and Inspection - Design Consultant Construction JSC, equivalent to the total par value of VND 7,052,510,000 and 66.66% of equity.

Detailed information of the Company's subsidiaries on 31 December 2021 is as follows:

Name of subsidiaries	Establishment address	Interest rate and Voting right	Business activities
Waterway Engineering Consultant JSC	29/57 Khuong Ha Street, Khuong Dinh Ward, Thanh Xuan District, Hanoi	51.60%	Transport construction consultancy
Geotechnical and Inspection - Design Consultant Construction JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	66.66%	Transport construction consultancy and quality inspection
Transport Engineering Consultant JSC No.2	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
Transport Engineering Design Consultant JSC No.4	No. 2, Le Ninh Street, Vinh City, Nghe An Province.	51.00%	Transport construction consultancy
Transport Engineering Consultant JSC No.5	No. 229 Truong Chinh Street, An Khe Ward, Thanh Khe District, Da Nang	51.00%	Transport construction consultancy
Bridge - Tunnel Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
Highway Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
Road and Bridge Engineering Consultants JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	50.96%	Transport construction consultancy and quality inspection
Port & Waterway Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Port and waterway construction consultancy
Asia Pacific Engineering Consultants Company	Room 301, Tower D 10 Giang Vo Ward, Ba Dinh District, Hanoi	67.26%	Engineering consulting services

5. Short-term trade receivables

	31/12/2021		01/01/2021	
	Value VND	Provision VND	Value VND	Provision VND
Detailed by customers with large account balances				
BT Three ways Hue - Trung Nam Co., Ltd	3,356,999,155	(2,360,205,155)	3,356,999,155	(1,872,007,304)
My Loi Corporation	4,077,457,890	(2,732,577,006)	4,077,457,890	(1,934,782,191)
BOT Trung Luong - My Thuan JSC	7,658,196,385	-	-	-
BOT Bien Cuong JSC	9,161,514,101	-	11,056,279,914	-
Vietnam Infrastructure Development and Finance Investment JSC	3,433,484,163	-	3,433,484,163	-
Bitexco Group Co., Ltd	2,984,785,898	-	7,840,879,898	-
KEI - NE - OCG - TEDI Joint Venture	381,186,228	-	5,546,858,911	-
Van Don Infrastructure Investment and Development Co., Ltd	19,863,532,535	-	1,287,589,000	-
My Thuan Project Management Board	12,469,244,400	-	-	-
Xuan Truong PTE	8,421,658,318	-	-	-
Others	71,942,061,157	(9,429,115,679)	48,491,573,166	(6,635,239,172)
	143,750,120,230	(14,521,897,840)	85,091,122,097	(10,442,028,667)
In which, receivables from related parties (Note 30)	5,023,699,600	-	6,082,956,614	-

6. Short-term prepayments to suppliers

	31/12/2021		01/01/2021	
	Value VND	Provision VND	Value VND	Provision VND
Prepayments detailed by suppliers with large account balances				
Yooshin Engineering Corporation	3,610,885,949	-	3,610,885,949	-
Bac Kan Engineering Consultant JSC	3,476,000,000	-	-	-
Transport Engineering Consultant JSC No.7	2,319,029,000	-	711,791,000	-
Hai Phong Transport & Communication Construction and Investment Consultancy JSC	450,000,000	-	950,000,000	-
Road and Bridge Engineering Consultants JSC	68,000,000	-	797,603,946	-
Others	17,125,908,616	-	10,819,152,790	-
	27,049,823,565	-	16,889,433,685	-
In which, advances to related parties (Note 30)	2,337,819,465	-	1,775,067,418	-

7. Other short-term receivables

	31/12/2021		01/01/2021	
	Value VND	Provision VND	Value VND	Provision VND
Advances	9,121,048,327	-	13,504,584,053	-
Collateral	17,080,000	-	33,680,000	-
Personal income tax receivable	733,060,713	-	61,963,408	-
Social insurance receivable	464,145,918	-	4,127,951	-
Transport Engineering Consultant JSC No.7	1,202,400,000	(845,000,000)	1,351,845,809	(845,000,000)
Dividend, profit receivable from subsidiaries	1,272,868,020	-	1,732,868,020	-
Others	2,904,269,501	-	4,254,585,175	-
	15,714,872,479	(845,000,000)	20,943,654,416	(845,000,000)
In which, receivables from related parties (Note 30)	3,794,798,102	-	4,855,539,957	-

8. Inventories

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Work in progress	141,186,502,919	162,725,026,616
- My Thuan - Can Tho expressway	139,398,135	12,407,442,879
- Ring road 4 - Hanoi capital region section Highway 32 - Highway 6	10,714,558,400	10,653,558,400
- Van Don - Mong Cai expressway	8,885,480,622	7,010,940,551
- Trung Luong - My Thuan expressway	10,856,040,955	18,615,270,447
- Hoa Binh - Son La (Moc Chau) expressway	3,184,011,491	6,621,825,351
- North - South expressway in the east - Hanoi section	18,109,939,636	26,299,477,598
- Improving and upgrading railway Hanoi - Ho Chi Minh City - Vinh Nha Trang, Nha Trang - Ho Chi Minh City	4,860,506,007	6,127,853,419
- Dynamic Cities Integrated Development Project - Hai Duong City, Hai Duong Province	-	7,095,743,080
- Others	84,436,567,673	67,892,914,891
	<u>141,186,502,919</u>	<u>162,725,026,616</u>

9. Long-term prepaid expenses

	<u>31/12/2021</u>	<u>01/01/2021</u>
	VND	VND
Tools and supplies	2,610,065,086	1,940,627,631
Company's goodwill	1,714,165,001	2,423,474,667
Repairing costs	566,035,752	122,530,000
Others	1,814,062,118	968,371,864
	<u>6,704,327,957</u>	<u>5,455,004,162</u>

10. Fixed assets

	Intangible fixed assets	Tangible fixed assets				Total VND	
		Computer software VND	Buildings, structures VND	Machinery, equipment VND	Transportation vehicles VND		Office equipment VND
Historical cost							
As at 01/01/2021	6,546,377,327	87,805,691,007	22,445,287,227	16,358,625,606	7,229,902,952	415,887,591	134,255,394,383
Completed construction investment	-	4,466,408,037	-	-	-	-	4,466,408,037
Purchase in the year	-	-	521,930,000	407,778,000	860,183,636	-	1,789,891,636
Liquidating, disposal	(250,000,000)	-	(362,872,636)	-	(1,068,874,702)	(104,909,091)	(1,536,656,429)
Reclassification	-	-	87,302,523	-	(87,302,523)	-	-
As at 31/12/2021	6,296,377,327	92,272,099,044	22,691,647,114	16,766,403,606	6,933,909,363	310,978,500	138,975,037,627
Accumulated depreciation							
As at 01/01/2021	5,604,255,645	49,721,626,445	17,613,670,784	12,818,433,937	4,916,706,540	415,887,591	85,486,325,297
Depreciation	500,179,959	1,938,686,892	1,253,410,600	678,650,998	858,405,681	-	4,729,154,171
Liquidating, disposal	(250,000,000)	-	(362,872,636)	-	(1,068,874,702)	(104,909,091)	(1,536,656,429)
Reclassification	-	-	8,826,846	-	(8,826,846)	-	-
As at 31/12/2021	5,854,435,604	51,660,313,337	18,504,208,748	13,497,084,935	4,706,237,519	310,978,500	88,678,823,039
Net carrying amount							
As at 01/01/2021	942,121,682	38,084,064,562	4,831,616,443	3,540,191,669	2,313,196,412	-	48,769,069,086
As at 31/12/2021	441,941,723	40,611,785,707	4,187,438,366	3,269,318,671	2,227,671,844	-	50,296,214,588

Cost of fully depreciated tangible and intangible fixed assets but still in use at the end of the year are VND 31,557,028,800 and VND 4,640,970,327 respectively.

11. Short-term trade payables

	31/12/2021		01/01/2021	
	Book value VND	Liquidity VND	Book value VND	Liquidity VND
Detailed by suppliers with large account balances				
Highway Engineering Consultant JSC	3,258,767,401	3,258,767,401	3,472,074,650	3,472,074,650
Bridge - Tunnel Engineering Consultant JSC	465,882,000	465,882,000	1,031,236,000	1,031,236,000
Civil Engineering Construction Corporation No.1 JSC	371,646,400	371,646,400	733,650,400	733,650,400
Waterway Engineering Consultant JSC	463,782,600	463,782,600	269,523,600	269,523,600
Hai Phong Transport & Communication Construction and Investment Consultancy JSC	56,478,000	56,478,000	760,542,000	760,542,000
Geotechnical and Inspection Design Consultant JSC	3,865,254,252	3,865,254,252	410,293,000	410,293,000
PACIE Construction and Investment JSC	1,706,009,200	1,706,009,200	-	-
Key Laboratory of River and Coastal Engineering	1,618,502,721	1,618,502,721	-	-
Transport Engineering Consultant JSC No.5	1,479,529,000	1,479,529,000	1,479,529,000	1,479,529,000
Road and Bridge Engineering Consultants JSC	2,088,591,038	2,088,591,038	1,527,391,938	1,527,391,938
Others	11,988,063,857	11,988,063,857	10,373,773,403	10,373,773,403
	27,362,506,469	27,362,506,469	20,058,013,991	20,058,013,991
In which, Related parties	13,246,169,978	13,246,169,978	10,263,745,527	10,263,745,527

(Note 30)

12. Tax and other statutory obligations

	01/01/2021		Year 2021		31/12/2021	
	Receivables	Payables	Actual payment	Payables	Receivables	Payables
	VND	VND	VND	VND	VND	VND
Value-added tax	47,888,993	468,549,520	27,182,310,140	30,043,142,231	-	3,281,492,618
Corporate income tax	-	1,666,132,659	6,487,949,350	6,310,386,557	-	1,488,569,866
Personal income tax	-	167,807,847	2,813,777,362	3,464,285,649	-	818,316,134
Land tax and land rental	-	-	3,309,037,997	3,309,037,997	-	-
Other taxes	-	-	15,169,518	15,169,518	-	-
Fees, charges and other payables	-	-	176,226,578	176,226,578	-	-
	47,888,993	2,302,490,026	39,984,470,945	43,318,248,530	-	5,588,378,618

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Separate Financial Statements could be changed at a later date upon final determination by the tax authorities.

13. Short-term borrowings

	01/01/2021		Year 2021		31/12/2021	
	Book value	Liquidity	Increase	Decrease	Book value	Liquidity
	VND	VND	VND	VND	VND	VND
Joint Stock Commercial Bank for Investment and Development of Vietnam (1)	5,747,450,365	5,747,450,365	50,808,604,277	35,685,562,084	20,870,492,558	20,870,492,558
- Short-term loans	5,650,999,572	5,650,999,572	49,877,260,315	34,684,256,077	20,844,003,810	20,844,003,810
- Overdraft loans	96,450,793	96,450,793	931,343,962	1,001,306,007	26,488,748	26,488,748
Military Commercial Joint Stock Bank (2)	8,384,666,681	8,384,666,681	43,642,181,601	34,274,030,524	17,752,817,758	17,752,817,758
- Overdraft loans	8,384,666,681	8,384,666,681	43,642,181,601	34,274,030,524	17,752,817,758	17,752,817,758
	14,132,117,046	14,132,117,046	94,450,785,878	69,959,592,608	38,623,310,316	38,623,310,316

(1) Credit limit agreement No. 01/2021/134643 dated 30 July 2021 with Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi branch, total credit limit is VND 120 billion. Loan term is 12 months, interest rate is regulated for each specific sub-contract. The collateral is Deposit Contract No. 02/2018/134643/HDCC signed on 10 July 2018 with the Joint Stock Commercial Bank for Investment and Development of Vietnam with contract value of VND 10 billion (details in Note 04).

(2) Credit agreement No. 27794.21.051.1318276.TD dated 13/08/2021 with Military Commercial Joint Stock Bank - Dien Bien Phu Branch has a loan limit of VND 10 billion, overdraft limit is VND 20 billion, the guarantee limit is VND 100 billion, the loan term is until 18/05/2022, the interest rate is specified in each contract and the time of arising the loan. The collateral is Deposit Pledge Agreement No. 31126.19.051.1318276.TG.DN dated 22/11/2019 with the value of VND 10 billion signed with Military Commercial Joint Stock Bank (details in Note 04).

14. Short-term prepayments from customers

	31/12/2021	01/01/2021
	VND	VND
Him Lam Corporation - Hanoi Branch	20,914,263,600	20,914,263,600
My Thuan Project Management Board	10,100,409,929	-
Airports Corporation of Vietnam - JSC	9,492,911,204	-
Joint Venture Petro Trade (Laos) and HT (Vietnam)	8,894,650,478	8,894,650,478
Trungnam Group	6,366,000,000	6,366,000,000
Project Management Board 7	6,017,987,500	16,941,885,723
Management board of construction investment Hanoi transport project	4,060,110,000	4,024,400,000
Project Management Board 85	1,846,749,000	9,841,112,217
Project Management Board 6	1,602,172,000	9,316,848,991
Thang Long Project Management Board	1,101,629,800	4,361,334,400
Ho Chi Minh Road Project Management Board	896,000,000	4,526,397,202
BOT Trung Luong - My Thuan JSC	-	1,923,085,810
Cuu Long Corporation for Investment Development and Project Management of Infrastructure	-	25,298,087,265
Dynamic Cities Integrated Development Project Management Unit - Hai Duong City, Hai Duong Province	-	13,119,904,000
Other	61,919,394,413	69,311,744,998
	<u>133,212,277,924</u>	<u>194,839,714,684</u>
In which, prepayments from related parties (Note 30)	<u>2,993,072,000</u>	<u>1,488,000,000</u>

15. Payables to employees

	31/12/2021	01/01/2021
	VND	VND
Payables to employees	24,168,162,466	17,751,689,990
	<u>24,168,162,466</u>	<u>17,751,689,990</u>

In which, information about the number of employees, the employee's salary fund and average income is as follows:

	Year 2021	Year 2020
Average number of employees (person)	531	500
Salary fund of employees (VND)	109,344,237,933	106,335,639,748
Average income (VND/person/month)	17,160,112	15,564,476

16. Short-term accrued expenses

As at 1 January 2021 and 31 December 2021, short-term accrued expenses are accruals of subcontractors that have not been accepted.

17. Other payables

	31/12/2021	01/01/2021
	VND	VND
Short-term		
Trade union fee	16,615,000	11,367,000
Payables to individuals & entities receiving fixed amounts	16,318,651,044	9,161,107,094
Thanh An Long Bien Auto JSC	420,000,000	420,000,000
Receipts and payments on behalf	620,409,524	2,388,116,678
Dividends or profits payables	62,985,000	107,350,000
Other payables	2,481,673,292	262,855,500
	19,920,333,860	12,350,796,272
Long-term		
Long-term deposits, collateral received	960,637,628	983,462,628
	960,637,628	983,462,628

18. Owner's equity

a) Changes in owner's equity

	Contributed capital	Share Premium	Retained earnings	Total
	VND	VND	VND	VND
As at 01/01/2020	125,000,000,000	815,232,000	23,065,500,966	148,880,732,966
Profit of the previous year	-	-	23,426,914,229	23,426,914,229
Divident	-	-	(18,750,000,000)	(18,750,000,000)
Other funds distribution	-	-	(2,736,450,001)	(2,736,450,001)
Bonus fund distributed from profit of 2020	-	-	(600,000,000)	(600,000,000)
As at 01/01/2021	125,000,000,000	815,232,000	24,405,965,194	150,221,197,194
Profit of the current year	-	-	33,140,652,259	33,140,652,259
Distribution of profit of 2020 (i):	-	-	(21,820,500,000)	(21,820,500,000)
<i>Divident</i>	-	-	(19,375,000,000)	(19,375,000,000)
<i>Other funds distribution (ii)</i>	-	-	(2,445,500,000)	(2,445,500,000)
Bonus fund distributed from profit of 2021 (iii)	-	-	(700,000,000)	(700,000,000)
As at 31/12/2021	125,000,000,000	815,232,000	35,026,117,453	160,841,349,453

(i) According to the Resolution No. 08-NQ/TEDI-DHDCD dated 29/06/2021 issued at General Meeting of shareholders, the Company announced its profit distribution of 2020 as follows:

	<u>Rate</u> %	<u>Amount</u> VND
Net Profit after tax		23,426,914,229
Dividend payment (equivalent to 1,500 VND/share)	82.7%	19,375,000,000
Bonus and Welfare fund	10.0%	2,342,700,000
Bonus for the Board of General Directors	3.0%	702,800,000

(ii) The Company made a temporary distribution of VND 600,000,000 in 2020.

(iii) The Company made a temporary deduction for the Bonus and welfare fund based on business results in 2021 and expected spending until 31 December 2021. The temporary deduction was approved by the General Director on 13 December 2021.

b) Details of Contributed capital

	<u>31/12/2021</u>		<u>01/01/2021</u>	
	VND	%	VND	%
Fecon Soil Improvement and Construction JSC	-	0.00%	5,437,500,000	4.35%
Oriental Consultant Company Global Ltd.,	42,669,100,000	34.14%	25,327,500,000	20.26%
Trans Across VP Inc.	320,000,000	0.26%	320,000,000	0.26%
MHC Investment.,JSC	37,640,500,000	30.11%	-	0.00%
Mr. Pham Huu Son	10,623,500,000	8.50%	10,623,500,000	8.50%
Mr. Pham Trung Thanh	-	0.00%	32,203,000,000	25.76%
Union shareholders	350,000,000	0.28%	350,000,000	0.28%
Others	33,396,900,000	26.72%	50,738,500,000	40.59%
	<u>125,000,000,000</u>	<u>100%</u>	<u>125,000,000,000</u>	<u>100%</u>

c) Capital transactions with owners and distribution of dividends and profits

	<u>Year 2021</u>	<u>Year 2020</u>
	VND	VND
Owner's contributed capital		
- At the beginning of the year	125,000,000,000	125,000,000,000
- At the end of the year	<u>125,000,000,000</u>	<u>125,000,000,000</u>
Distributed dividends and profit		
- Dividend payable at the beginning of the year	107,350,000	70,300,000
- Dividend payable in the year	19,375,000,000	18,750,000,000
+ <i>Dividend payable from previous year's profit</i>	19,375,000,000	18,750,000,000
- Dividend paid in cash in the year	19,419,365,000	18,712,950,000
+ <i>Dividend payable from previous year's profit</i>	19,419,365,000	18,712,950,000
Dividend payable at the end of the year	<u>62,985,000</u>	<u>107,350,000</u>

d) Share

	<u>31/12/2021</u>	<u>01/01/2021</u>
	Share	Share
Quantity of Authorized issuing shares	12,500,000	12,500,000
Quantity of issued shares	12,500,000	12,500,000
- <i>Common shares</i>	12,500,000	12,500,000
Quantity of shares repurchased	-	-
Quantity of outstanding shares in circulation	12,500,000	12,500,000
- <i>Common shares</i>	12,500,000	12,500,000
Par value per share (VND)	10,000	10,000

19. Off Statement of Financial Position items

Foreign currencies

	<u>31/12/2021</u>	<u>01/01/2021</u>
USD	8,388.55	13,950.96

Operating leased assets

The Company has rented the land areas and paid rental annually as announcement from Tax authority for use of head office and working office, details are as follows

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
No.278 Ton Duc Thang, Hang Bot ward, Dong Da district	No. 708/HĐTĐ-STNMT-PC dated 25/08/2016	From 15/10/1993 to 14/10/2043	5,533 m2
No.237 Luong The Vinh, Trung Van ward, Nam Tu Liem district	No. 279/HĐTĐ dated 17/07/2015	From 15/10/1993 to 14/10/2043	1,357 m2
No.10 Trung Kinh, Trung Hoa ward, Cau Giay district	No. 301/HĐTĐ dated 29/07/2015	From 06/01/2014 to 05/01/2064	2,581 m2
No.15A Hoang Hoa Tham, ward 6, Binh Thanh district	No. 7188/HĐ-TNMT-QLSDĐ dated 09/10/2014	From 19/12/2008 to 18/12/2058	322.9 m2

20. Revenue from rendering of services

	<u>Year 2021</u>	<u>Year 2020</u>
	VND	VND
Revenue from rendering of services	402,686,243,146	368,635,274,243
Deductible items	6,669,369,940	1,143,656,165
<i>Reduction of the price of services rendered</i>	6,669,369,940	1,143,656,165
Net revenue from services rendered	<u>396,016,873,206</u>	<u>367,491,618,078</u>
In which: Revenue from related parties (Note 30)	<u>10,452,576,546</u>	<u>9,490,623,876</u>

21. Cost of services rendered

	Year 2021	Year 2020
	VND	VND
Cost of services rendered	294,057,375,863	287,364,047,783
	294,057,375,863	287,364,047,783

22. Financial income

	Year 2021	Year 2020
	VND	VND
Interest income	1,177,910,201	2,512,122,172
Dividends or profits received	9,522,578,600	10,566,957,040
Realised exchange gain	38,238,330	21,019,486
Unrealised exchange gain	2,495,178	6,011,410
	10,741,222,309	13,106,110,108
In which, income received from related parties (Note 30)	7,582,578,600	8,894,957,040

23. Financial expenses

	Year 2021	Year 2020
	VND	VND
Interest expenses	1,655,040,554	507,857,984
Realised exchange loss	920,056	29,198,764
Loss from dissolution of TEDI Global Consultants Co., Ltd	-	1,578,959,461
	1,655,960,610	2,116,016,209

24. General and administrative expenses

	Year 2021	Year 2020
	VND	VND
Raw materials	2,717,505,972	2,117,721,813
Labour expenses	19,248,600,985	21,278,489,245
Offices supplies	1,278,472,142	1,022,763,300
Depreciation and amortization expenses	2,894,821,598	2,946,537,461
Tax, Charge and Fee	3,072,316,754	3,787,331,510
Provisions	4,079,869,173	4,822,028,667
Expenses of outsourcing services	9,521,509,328	7,986,747,955
Other expenses	27,941,008,111	26,318,390,660
	70,754,104,063	70,280,010,611

25. Current corporate income tax ("CIT") expenses

	Year 2021	Year 2020
	VND	VND
Total profit before tax	39,457,857,149	26,860,078,317
Increase	1,342,345,905	872,699,162
- <i>Ineligible expenses</i>	1,342,345,905	872,699,162
Decrease	(10,372,015,718)	(10,601,048,704)
- <i>Dividend payment</i>	(9,522,578,600)	(10,566,957,040)
- <i>Revision according to Tax inspection minute</i>	(815,345,454)	-
- <i>Adjustment to aggregation</i>	(34,091,664)	(34,091,664)
Taxable income	30,428,187,336	17,131,728,775
CIT expense (Tax rate 20%)	6,085,637,467	3,426,345,755
Previous CIT expense	224,749,090	-
Current CIT expense	6,310,386,557	3,426,345,755
Tax payable at the beginning of the year	1,666,132,659	1,000,896,822
Tax paid in the year	(6,487,949,350)	(2,761,109,918)
CIT payable at the end of the year	1,488,569,866	1,666,132,659

26. Deferred income tax

a) Deferred income tax asset

	31/12/2021	01/01/2021
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	2,865,746	9,684,079

b) Deferred corporate income tax expenses

	Year 2021	Year 2020
	VND	VND
Deferred CIT expense relating to deductible temporary difference	6,818,333	6,818,333

27. Business and production costs by items

	Year 2021	Year 2020
	VND	VND
Raw materials	24,444,454,750	20,619,593,631
Labour expenses	123,294,090,359	112,556,913,746
Insurance expenses, Trade union fee	5,634,912,142	5,686,119,547
Depreciation and amortization expenses	5,229,334,130	5,228,962,835
Provision expenses	4,079,869,173	4,822,028,667
Expenses of outsourcing services	45,002,838,679	45,142,138,140
Other expenses	66,488,795,425	63,355,491,813
Expenses from subcontracting	69,098,661,571	102,315,647,406
	343,272,956,229	359,726,895,785

28. Financial instruments

The types of financial instruments of the Company include:

	Carrying amount			
	31/12/2021		01/01/2021	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	20,718,945,454	-	44,211,877,902	-
Trade and other receivables	159,464,992,709	(15,366,897,840)	106,034,776,513	(11,287,028,667)
Loans	20,000,000,000	-	25,000,000,000	-
	200,183,938,163	(15,366,897,840)	175,246,654,415	(11,287,028,667)

	Carrying amount	
	31/12/2021	01/01/2021
	VND	VND
Financial liabilities		
Borrowing and debts	38,623,310,316	14,132,117,046
Trade and other payables	48,243,477,957	33,392,272,891
Accrued expenses	51,822,861,183	35,830,003,316
	138,689,649,456	83,354,393,253

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts which is presented in relevant notes.

Financial risk management

The Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company's business operations will bear the risks of changes in prices, exchange rates and interest rates.

Exchange rate risk

The Company bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Company are denominated in foreign currencies other than VND.

Interest rate risk

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments).

	Under 1 year	From 1 to 5	More than	Total
	VND	years	5 years	VND
	VND	VND	VND	VND
As at 31/12/2021				
Cash and cash equivalents	20,718,945,454	-	-	20,718,945,454
Trade and other receivables	159,464,992,709	-	-	159,464,992,709
Loans	20,000,000,000	-	-	20,000,000,000
	200,183,938,163	-	-	200,183,938,163
As at 01/01/2021				
Cash and cash equivalents	44,211,877,902	-	-	44,211,877,902
Trade and other receivables	94,747,747,846	-	-	94,747,747,846
Loans	25,000,000,000	-	-	25,000,000,000
	163,959,625,748	-	-	163,959,625,748

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5	More than	Total
	VND	years	5 years	VND
	VND	VND	VND	VND
As at 31/12/2021				
Borrowing and debts	38,623,310,316	-	-	38,623,310,316
Trade and other payables	47,282,840,329	960,637,628	-	48,243,477,957
Accrued expenses	51,822,861,183	-	-	51,822,861,183
	137,729,011,828	960,637,628	-	138,689,649,456
As at 01/01/2021				
Borrowing and debts	14,132,117,046	-	-	14,132,117,046
Trade and other payables	32,408,810,263	983,462,628	-	33,392,272,891
Accrued expenses	35,830,003,316	-	-	35,830,003,316
	82,370,930,625	983,462,628	-	83,354,393,253

The Company believes that risk level of loan repayment is low. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

29. Subsequent events after the reporting period

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the separate financial statements.

30. Transactions and balances with related parties

List of relationship of the Company and related parties are as follows:

<u>Related parties</u>	<u>Relationship</u>
Waterway Engineering Consultant JSC	Subsidiary company
Geotechnical and Inspection - Design Consultant Construction JSC	Subsidiary company
Transport Engineering Consultant JSC No.2	Subsidiary company
Transport Engineering Design Consultant JSC No.4	Subsidiary company
Transport Engineering Consultant JSC No.5	Subsidiary company
Bridge - Tunnel Engineering Consultant JSC	Subsidiary company
Highway Engineering Consultant JSC	Subsidiary company
Road and Bridge Engineering Consultants JSC	Subsidiary company
Port & Waterway Engineering Consultant JSC	Subsidiary company
TEDI Global Consultants Co., Ltd (no longer a related party since 2021 due to divestment in 2020)	Subsidiary company
Asia Pacific Engineering Consultants Company	Subsidiary company

During the year, the Company has transactions with the related parties as follows:

Rendering of services:

	Year 2021	Year 2020
	VND	VND
Rendering of services - Brand management fee	1,571,789,000	1,518,607,000
Waterway Engineering Consultant JSC	49,670,000	43,711,000
Geotechnical and Inspection - Design Consultant Construction JSC	34,158,000	32,263,000
Transport Engineering Consultant JSC No.2	280,392,000	276,662,000
Transport Engineering Design Consultant JSC No.4	54,750,000	80,734,000
Transport Engineering Consultant JSC No.5	84,159,000	98,382,000
Bridge - Tunnel Engineering Consultant JSC	312,191,000	310,396,000
Highway Engineering Consultant JSC	276,273,000	254,448,000
Road and Bridge Engineering Consultants JSC	102,653,000	115,180,000
Port & Waterway Engineering Consultant JSC	134,504,000	113,505,000
Asia Pacific Engineering Consultants Company	243,039,000	193,326,000
Rendering of services - Office rental	6,085,805,457	5,471,744,546
Geotechnical and Inspection - Design Consultant Construction JSC	-	29,090,909
Transport Engineering Consultant JSC No.2	898,350,546	876,532,364
Bridge - Tunnel Engineering Consultant JSC	335,054,545	253,818,182
Highway Engineering Consultant JSC	1,823,154,909	1,718,827,636
Road and Bridge Engineering Consultants JSC	821,992,728	838,283,636
Port & Waterway Engineering Consultant JSC	1,890,289,092	1,569,578,182
Asia Pacific Engineering Consultants Company	316,963,637	185,613,637
Rendering of services - Water and Electricity	1,673,697,198	1,680,975,766
Bridge - Tunnel Engineering Consultant JSC	944,482,115	980,475,412
Highway Engineering Consultant JSC	278,533,426	273,194,590
Road and Bridge Engineering Consultants JSC	171,049,774	178,437,875
Port & Waterway Engineering Consultant JSC	237,306,092	221,522,059
Asia Pacific Engineering Consultants Company	42,325,791	27,345,830
Rendering of services - Factory of documents	30,375,800	17,580,200
Highway Engineering Consultant JSC	30,375,800	17,580,200
Rendering of services - Consulting services	1,090,909,091	404,296,364
Bridge - Tunnel Engineering Consultant JSC	1,090,909,091	-
Transport Engineering Consultant JSC No.2	-	404,296,364
Rendering of services - Leading joint ventures	-	397,420,000
Road and Bridge Engineering Consultants JSC	-	397,420,000
	10,452,576,546	9,490,623,876

Subsidiary service purchase transactions - Bid division:

	Year 2021	Year 2020
	VND	VND
Waterway Engineering Consultant JSC	322,905,454	49,745,454
Geotechnical and Inspection - Design Consultant Construction JSC	9,460,695,550	1,661,046,364
Transport Engineering Consultant JSC No.2	-	382,254,545
Transport Engineering Design Consultant JSC No.4	1,124,102,728	2,582,307,868
Transport Engineering Consultant JSC No.5	363,636,364	1,138,715,454
Bridge - Tunnel Engineering Consultant JSC	211,050,909	114,049,782
Highway Engineering Consultant JSC	2,339,489,090	4,739,735,454
Road and Bridge Engineering Consultants JSC	5,687,750,852	10,565,851,963
Port & Waterway Engineering Consultant JSC	1,082,555,454	1,029,829,091
Asia Pacific Engineering Consultants Company	132,303,636	-
	20,724,490,037	22,263,535,975

Profits and Dividends distributions:

	Year 2021	Year 2020
	VND	VND
Waterway Engineering Consultant JSC	92,880,000	433,440,000
Geotechnical and Inspection - Design Consultant Construction JSC	-	479,473,500
Transport Engineering Consultant JSC No.2	586,500,000	1,147,500,000
Transport Engineering Design Consultant JSC No.4	275,400,000	497,250,000
Transport Engineering Consultant JSC No.5	765,000,000	1,300,500,000
Bridge - Tunnel Engineering Consultant JSC	1,377,000,000	1,453,500,000
Highway Engineering Consultant JSC	1,377,000,000	1,377,000,000
Road and Bridge Engineering Consultants JSC	415,097,100	230,609,500
Port & Waterway Engineering Consultant JSC	822,088,500	-
TEDI Global Consultants Co., Ltd	-	588,141,040
Asia Pacific Engineering Consultants Company	1,871,613,000	1,387,543,000
	7,582,578,600	8,894,957,040

Balances with related parties at the reporting date as follows:

	31/12/2021	01/01/2021
	VND	VND
Short-term trade receivables	5,023,699,600	6,082,956,614
Waterway Engineering Consultant JSC	34,637,000	28,082,100
Geotechnical and Inspection - Design Consultant Construction JSC	105,063,100	109,489,300
Transport Engineering Consultant JSC No.2	780,996,600	776,893,600
Transport Engineering Design Consultant JSC No.4	60,225,000	88,807,400
Transport Engineering Consultant JSC No.5	92,574,900	273,241,100
Bridge - Tunnel Engineering Consultant JSC	432,533,378	380,082,378
Highway Engineering Consultant JSC	194,900,300	1,293,267,729
Road and Bridge Engineering Consultants JSC	1,311,748,657	1,574,367,308
Port & Waterway Engineering Consultant JSC	2,006,070,665	1,422,067,099
Asia Pacific Engineering Consultants Company	4,950,000	136,658,600

Balances with related parties at the reporting date as follows (continues):

	31/12/2021	01/01/2021
	VND	VND
Short-term prepayments to suppliers	2,337,819,465	1,775,067,418
Geotechnical and Inspection - Design Consultant Construction JSC	800,000,000	107,969,007
Transport Engineering Consultant JSC No.2	30,000,000	30,000,000
Transport Engineering Design Consultant JSC No.4	858,219,465	257,894,465
Bridge - Tunnel Engineering Consultant JSC	81,600,000	81,600,000
Road and Bridge Engineering Consultants JSC	68,000,000	797,603,946
Port & Waterway Engineering Consultant JSC	500,000,000	500,000,000
Other short-term receivables	3,794,798,102	4,855,539,957
Geotechnical and Inspection - Design Consultant Construction JSC	1,271,184,098	1,747,105,813
Transport Engineering Consultant JSC No.2	95,730,000	193,646,080
Transport Engineering Design Consultant JSC No.4	140,000,000	3,000,000
Transport Engineering Consultant JSC No.5	-	605,000,000
Bridge - Tunnel Engineering Consultant JSC	446,149,119	410,470,163
Highway Engineering Consultant JSC	350,811,802	329,601,392
Road and Bridge Engineering Consultants JSC	1,236,709,278	1,275,017,638
Port & Waterway Engineering Consultant JSC	225,748,805	285,698,871
Asia Pacific Engineering Consultants Company	28,465,000	6,000,000
Short-term trade payables	13,246,169,978	10,263,745,527
Waterway Engineering Consultant JSC	463,782,600	269,523,600
Geotechnical and Inspection - Design Consultant Construction JSC	3,865,254,252	410,293,000
Transport Engineering Consultant JSC No.2	191,373,000	809,969,000
Transport Engineering Design Consultant JSC No.4	557,411,087	629,330,739
Transport Engineering Consultant JSC No.5	1,479,529,000	1,479,529,000
Bridge - Tunnel Engineering Consultant JSC	465,882,000	1,031,236,000
Highway Engineering Consultant JSC	3,258,767,401	3,472,074,650
Road and Bridge Engineering Consultants JSC	2,088,591,038	1,527,391,938
Port & Waterway Engineering Consultant JSC	875,579,600	634,397,600
Short-term prepayments from customers	2,993,072,000	1,488,000,000
Transport Engineering Consultant JSC No.2	181,200,000	150,800,000
Bridge - Tunnel Engineering Consultant JSC	804,792,000	564,800,000
Highway Engineering Consultant JSC	1,839,780,000	605,100,000
Road and Bridge Engineering Consultants JSC	167,300,000	167,300,000

Remuneration to Board of General Directors, Board of Management and Board of Supervision as follows:

	Year 2021 VND	Year 2020 VND
Board of Management	413,501,000	468,855,000
Mr. Hitoshi Yahaghi	224,331,000	256,806,000
Mr. Phung Tien Trung	189,170,000	212,049,000
Board of General Directors	4,358,801,749	3,973,790,476
Mr. Pham Huu Son (i)	1,084,468,989	1,115,592,112
Mr Nguyen Trung Hong	676,260,511	632,109,237
Mr. Do Minh Dung (i)	917,753,227	855,420,407
Mr. Dao Ngoc Vinh (i)	873,658,532	824,093,249
Mr. Nguyen Manh Ha	703,176,490	546,575,471
Mr. Bui Tran Long	103,484,000	-
Board of Supervision	1,203,884,796	1,077,217,129
Mrs. Pham Thi Hong Nhung	136,326,000	153,700,000
Mr. Ngo Nam Ha (ii)	472,549,374	414,535,295
Mr. Vo Hoang Anh (ii)	595,009,422	508,981,834
	5,976,187,545	5,519,862,605

(i) Including salaries, bonuses, allowances for Board of Management.

(ii) Including salaries, bonuses, allowances for other positions in the Company.

31. Comparative figures

The corresponding figures are those taken from the separate financial statements for the year ended as at as at 31 December 2020, which was audited by AASC Limited.

32. Approval of the Separate financial statements

The Separate Financial statements were approved by the Board of General Directors and authorized for issuance on 08 March 2022.



Tang Thi Thu Hien
Preparer



Trương Minh Sơn
Chief Accountant



Phạm Hữu Sơn
General Director

Hanoi, 08 March 2022

