

**CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY**

**FINANCIAL STATEMENTS OF THE HEAD OFFICE  
FOR THE YEAR ENDED 31 DECEMBER 2023**



# CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

## FINANCIAL STATEMENTS OF THE HEAD OFFICE FOR THE YEAR ENDED 31 DECEMBER 2023

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# CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

## CORPORATE INFORMATION

### Enterprise registration certificate

No. 0301429113 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 29 July 2010 and its latest 15th amended Enterprise registration certificate dated 3 November 2023.

### Board of Directors

Mr. Nguyen Van Huan	Chairman
Mr. Phan Van Chinh	Vice Chairman
Mr. Le Bao Anh	Vice Chairman (Appointed on 15 May 2023)
Mr. Nguyen Thien Tam	Vice Chairman (Appointed on 15 May 2023)
Mr. Le Huu Viet Duc	Vice Chairman (Resigned on 12 May 2023)
Mr. Nguyen Huu Nam	Vice Chairman (Resigned on 12 May 2023)
Mr. Nguyen Thanh Vinh	Member

### Audit Committee

Mr. Nguyen Thanh Vinh	Chairman
Mr. Phan Van Chinh	Member

### Board of Management

Mr. Le Bao Anh	General Director
Mr. Nguyen Viet Hung	Deputy General Director
Mr. Nguyen Van Ngoc	Deputy General Director
Mr. Dinh Van Hung	Deputy General Director
Mr. La Thai Hiep	Deputy General Director (Appointed on 4 August 2023)
Mr. Pham Canh Dong	Deputy General Director (Appointed on 4 August 2023)
Mr. Tran Minh Doanh	Deputy General Director (Appointed on 1 December 2023)
Mr. Nguyen Van Tuan	Deputy General Director (Appointed on 1 March 2024)
Mr. Pham Van Ky Trung	Deputy General Director (Resigned on 1 January 2023)
Mr. Vu Gia Binh	Deputy General Director (Resigned on 1 February 2023)
Mr. Tran Huu Phong	Deputy General Director (Resigned on 10 June 2023)
Mr. Hoang Trung Thanh	Deputy General Director (Resigned on 1 March 2024)
Mr. Ha Van Han	Deputy General Director (Resigned on 1 March 2024)

### Legal representative

Mr. Le Bao Anh	General Director
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### Head office

111A Pasteur Street, Ben Nghe Ward, District 1,  
Ho Chi Minh City, Vietnam

### Auditor

PwC (Vietnam) Limited





## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY**

We have audited the accompanying financial statements of the Head Office of Construction Corporation No 1 Joint Stock Company ("the Company") which were prepared on 31 December 2023 and approved by the Board of Management of the Company on 28 March 2024. The financial statements of the Head Office comprise the balance sheet as at 31 December 2023, the income statement and the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 67.

### **The Board of Management's Responsibility**

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements of the Head Office in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements of the Head Office and for such internal control which the Board of Management determines as necessary to enable the preparation and presentation of financial statements of the Head Office that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements of the Head Office 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 in order to obtain reasonable assurance as to whether the financial statements of the Head Office are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Head Office. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements of the Head Office, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Head Office's preparation and true and fair presentation of the 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 Company'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 Management, as well as evaluating the overall presentation of the financial statements of the Head Office.

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



### Conclusion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Head Office as at 31 December 2023, its financial performance of the Head Office and its cash flows of the Head Office for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements of the Head Office.

### Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Luong Thi Anh Tuyet  
Audit Practising Licence No.  
3048-2024-006-1  
Authorised signatory

Nguyen Ngoc Khanh  
Audit Practising Licence No.  
5401-2021-006-1

Report reference number: HCM15251  
Ho Chi Minh City, 28 March 2024

## BALANCE SHEET OF THE HEAD OFFICE

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>9,183,906,535,103</b>	<b>8,248,667,216,571</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>2,589,123,207,399</b>	<b>1,385,052,070,064</b>
111	Cash		1,732,288,128,886	972,524,236,549
112	Cash equivalents		856,835,078,513	412,527,833,515
<b>120</b>	<b>Short-term investment</b>		<b>110,321,000,000</b>	<b>88,031,000,000</b>
123	Investments held to maturity	4(a)	110,321,000,000	88,031,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>5,537,377,298,639</b>	<b>6,112,681,628,619</b>
131	Short-term trade accounts receivable	5	1,506,371,810,386	1,622,200,065,668
132	Short-term prepayments to suppliers	6	2,886,917,746,519	3,457,818,556,660
133	Short-term intercompany receivables	37(b)	22,406,617,448	4,283,780,127
135	Short-term lendings	7(a)	32,302,786,643	70,982,512,260
136	Other short-term receivables	8(a)	1,245,214,740,592	957,396,713,904
137	Provision for doubtful debts – short-term	9	(155,836,402,949)	-
<b>140</b>	<b>Inventories</b>	10	<b>736,419,537,233</b>	<b>467,777,734,508</b>
141	Inventories		736,419,537,233	468,679,185,534
149	Provision for decline in value of inventories		-	(901,451,026)
<b>150</b>	<b>Other current assets</b>		<b>210,665,491,832</b>	<b>195,124,783,380</b>
151	Short-term prepaid expenses		17,249,916,536	7,058,965,884
152	Value added tax ("VAT") to be reclaimed	12(c)	77,432,274,053	111,558,365,067
153	Tax and other receivables from the State	12(a)	115,983,301,243	76,507,452,429

The notes on pages 12 to 67 are an integral part of these financial statements.

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 01 – DN

BALANCE SHEET OF THE HEAD OFFICE  
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2023 VND	2022 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>5,033,112,662,503</b>	<b>5,027,524,322,614</b>
<b>210</b>	<b>Long-term receivables</b>		<b>2,177,920,533,282</b>	<b>1,932,584,882,965</b>
213	Capital provided to dependent units	37(b)	699,600,000	717,000,000
215	Long-term lendings	7(b)	693,409,442,412	429,550,617,139
216	Other long-term receivables	8(b)	1,483,811,490,870	1,502,317,265,826
<b>220</b>	<b>Fixed assets</b>		<b>51,792,519,951</b>	<b>27,961,262,705</b>
221	Tangible fixed assets	13	26,145,222,657	26,126,116,256
222	Historical cost		53,457,708,318	48,775,950,047
223	Accumulated depreciation		(27,312,485,661)	(22,649,833,791)
224	Finance lease fixed assets	14	22,625,363,410	-
225	Historical cost		23,872,852,728	-
226	Accumulated depreciation		(1,247,489,318)	-
227	Intangible fixed assets	15	3,021,933,884	1,835,146,449
228	Historical cost		3,869,827,100	2,582,220,500
229	Accumulated amortisation		(847,893,216)	(747,074,051)
<b>230</b>	<b>Investment properties</b>	16	<b>489,013,421,151</b>	<b>514,131,295,248</b>
231	Historical cost		745,951,936,236	745,951,936,236
232	Accumulated depreciation		(256,938,515,085)	(231,820,640,988)
<b>240</b>	<b>Long-term asset in progress</b>		<b>571,189,661,575</b>	<b>598,260,392,990</b>
242	Construction in progress	17	571,189,661,575	598,260,392,990
<b>250</b>	<b>Long-term investments</b>		<b>1,698,914,562,336</b>	<b>1,887,292,754,230</b>
251	Investments in subsidiaries	4(b)	1,451,683,128,998	1,444,453,966,692
252	Investments in associates	4(b)	439,063,990,000	649,132,740,000
253	Investments in other entities	4(b)	61,934,441,822	73,022,366,661
254	Provision for long-term investment	4(b)	(258,766,998,484)	(284,316,319,123)
255	Investments held to maturity	4(a)	5,000,000,000	5,000,000,000
<b>260</b>	<b>Other long-term asset</b>		<b>44,281,964,208</b>	<b>67,293,734,476</b>
261	Long-term prepaid expenses	11	44,281,964,208	67,293,734,476
<b>270</b>	<b>TOTAL ASSETS</b>		<b>14,217,019,197,606</b>	<b>13,276,191,539,185</b>

The notes on pages 12 to 67 are an integral part of these financial statements.




BALANCE SHEET OF THE HEAD OFFICE  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>10,175,193,138,858</b>	<b>9,462,071,187,307</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>6,842,030,291,579</b>	<b>4,221,452,742,861</b>
311	Short-term trade accounts payable	18(a)	1,031,405,344,219	799,206,862,072
312	Short-term advances from customers	19(a)	2,790,708,465,869	1,286,080,973,870
313	Tax and other payables to the State	12(b)	59,886,453,800	40,169,522,491
314	Payables to employees		34,369,514,243	27,781,242,271
315	Short-term accrued expenses	20(a)	778,439,202,913	376,011,128,514
316	Short-term intercompany payables	37(b)	32,656,401,132	1,261,161,165
318	Short-term unearned revenue	21	2,882,525,447	7,579,914,051
319	Other short-term payables	22(a)	10,367,746,254	117,889,339,381
320	Short-term borrowings and finance lease liabilities	23(a)	2,101,022,948,384	1,564,002,599,046
322	Bonus and welfare funds		291,689,318	1,470,000,000
<b>330</b>	<b>Long-term liabilities</b>		<b>3,333,162,847,279</b>	<b>5,240,618,444,446</b>
331	Long-term trade accounts payables	18(b)	485,179,960,751	385,372,086,465
332	Long-term advances from customers	19(b)	133,695,678,000	133,695,678,000
333	Long-term accrued expenses	20(b)	174,782,794,386	153,291,166,428
335	Long-term intercompany payables	37(b)	37,294,254,391	37,160,929,069
336	Long-term unearned revenue	21	26,236,766,880	28,927,717,332
337	Other long-term payables	22(b)	1,167,770,967,736	569,210,129,635
338	Long-term borrowings and finance lease liabilities	23(b)	1,308,202,425,135	3,932,960,737,517

The notes on pages 12 to 67 are an integral part of these financial statements.

**BALANCE SHEET OF THE HEAD OFFICE**  
(continued)

Code	RESOURCES (continued)	Note	As at 31 December	
			2023 VND	2022 VND
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>4,041,826,058,748</b>	<b>3,814,120,351,878</b>
<b>410</b>	<b>Capital and reserves</b>		<b>4,041,826,058,748</b>	<b>3,814,120,351,878</b>
411	Owners' capital	24, 25	3,585,078,250,000	3,289,344,690,000
411a	- Ordinary shares with voting rights	24, 25	3,585,078,250,000	3,289,344,690,000
412	Share premium	25	99,327,851,808	99,327,851,808
415	Treasury shares	25	(4,796,760,000)	(4,796,760,000)
418	Investment and development funds	25	8,909,815,816	8,909,815,816
421	Undistributed earnings	25	353,306,901,124	421,334,754,254
421a	- Undistributed post-tax profits of previous years		124,523,194,254	206,946,335,960
421b	- Post-tax profits of current year		228,783,706,870	214,388,418,294
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>14,217,019,197,606</b>	<b>13,276,191,539,185</b>

  
\_\_\_\_\_  
Vo Thi Ngoc Thanh  
Preparer

  
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Tran Thi Ngoc Thuy  
Chief Accountant



  
\_\_\_\_\_  
Le Bao Anh  
General Director  
28 March 2024

## INCOME STATEMENT OF THE HEAD OFFICE

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	5,501,402,244,456	5,182,094,796,822
02	Less deductions	(2,002,171,100)	(27,618,533,028)
10	Net revenue from sales of goods and rendering of services	5,499,400,073,356	5,154,476,263,794
11	Cost of goods sold and services rendered	(5,236,877,361,681)	(4,820,862,376,918)
20	Gross profit from sales of goods and rendering of services	262,522,711,675	333,613,886,876
21	Financial income	854,101,872,258	326,574,431,384
22	Financial expenses	(487,898,257,074)	(384,248,717,917)
23	- Including: Interest expense	(469,774,276,831)	(335,274,026,987)
25	Selling expenses	(1,110,108,365)	(2,126,884,172)
26	General and administration expenses	(313,464,432,965)	(80,026,422,342)
30	Net operating profit	314,151,785,529	193,786,293,829
31	Other income	1,806,469,041	85,205,277,616
32	Other expenses	(11,442,227,796)	(5,772,446,679)
40	Net other (expenses)/income	(9,635,758,755)	79,432,830,937
50	Accounting profit before tax	304,516,026,774	273,219,124,766
51	Corporate income tax ("CIT") - current	(75,732,319,904)	(58,830,706,472)
52	CIT - deferred	-	-
60	Profit after tax	228,783,706,870	214,388,418,294



Vo Thi Ngoc Thanh  
Preparer



Tran Thi Ngoc Thuy  
Chief Accountant



  
Le Bao Anh  
General Director  
28 March 2024

**CASH FLOW STATEMENT OF THE HEAD OFFICE  
(Indirect method)**


Code	Note	Year ended 31 December	
		2023 VND	2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Net accounting profit before tax</b>	<b>304,516,026,774</b>	<b>273,219,124,766</b>
	Adjustments for:		
02	Depreciation and amortisation	31,992,887,658	29,748,476,128
03	Provision/(reversal) of provision	129,385,631,284	(153,128,157,597)
04	Unrealised foreign exchange losses	36,118,611,504	43,969,067,515
05	Profits from investing activities	(828,112,460,885)	(407,943,494,025)
06	Interest expense	469,774,276,831	339,872,846,965
<b>08</b>	<b>Operating profit before changes in working capital</b>	<b>143,674,973,166</b>	<b>125,737,863,752</b>
09	Decrease/(increase) in receivables	1,214,611,995,703	(1,266,910,893,758)
10	(Increase)/decrease in inventories	(267,740,351,699)	236,010,982,781
11	Increase in payables	3,059,717,798,834	647,596,222,474
12	Decrease/(increase) in prepaid expenses	12,820,819,616	(5,840,446,775)
14	Interest paid	(490,354,147,386)	(329,527,609,891)
15	CIT paid	(57,525,681,110)	(39,034,434,689)
17	Other payments on operating activities	(1,178,310,682)	-
<b>20</b>	<b>Net cash inflows/(outflows) from operating activities</b>	<b>3,614,027,096,442</b>	<b>(631,968,316,106)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(150,258,041,961)	(21,414,297,086)
22	Proceeds from disposals of fixed assets	-	727,272,727
23	Lending granted and term deposits at banks	(446,890,000,000)	(834,559,000,000)
24	Collection of lending and term deposits at banks	201,185,537,633	1,005,383,598,390
25	Investments in other entities	(230,500,000,000)	(1,782,817,160,872)
26	Proceeds from divestment of investments in other entities	294,993,816,000	446,917,528,881
27	Dividends and interest received	81,192,748,864	242,743,249,851
<b>30</b>	<b>Net cash outflows from investing activities</b>	<b>(250,275,939,464)</b>	<b>(943,018,808,109)</b>

The notes on pages 12 to 67 are an integral part of these financial statements.


**CASH FLOW STATEMENT OF THE HEAD OFFICE**  
**(Indirect method)**  
**(continued)**

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares	-	2,041,607,773,220
33	Proceeds from short-term and long-term borrowings	3,520,343,440,279	4,331,920,230,039
34	Repayments of borrowings and bonds	(5,676,016,094,381)	(4,335,632,736,350)
35	Finance lease principal repayments	(4,119,798,808)	-
36	Dividends paid to shareholders	(14,911,200)	(4,856,400)
<b>40</b>	<b>Net cash (outflows)/inflows from financing activities</b>	<b>(2,159,807,364,110)</b>	<b>2,037,890,410,509</b>
<b>50</b>	<b>Net increase in cash and cash equivalents</b>	<b>1,203,943,792,868</b>	<b>462,903,286,294</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>	<b>1,385,052,070,064</b>	<b>921,549,613,861</b>
61	Effect of foreign exchange differences	127,344,467	599,169,909
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>2,589,123,207,399</b>	<b>1,385,052,070,064</b>

Additional information relating to the cash flow statement of the Head Office is presented in Note 35.

  
 Vo Thi Ngoc Thanh  
 Preparer

  
 Tran Thi Ngoc Thuy  
 Chief Accountant

  
 Le Bao Anh  
 General Director  
 28 March 2024



**NOTES TO THE FINANCIAL STATEMENTS OF THE HEAD OFFICE  
FOR THE YEAR ENDED 31 DECEMBER 2023****1 GENERAL INFORMATION**

Construction Corporation No 1 Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to investment certificate No. 0301429113 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 29 July 2010 with the latest 15th amendment dated 3 November 2023.

The Company's shares are listed on the UPCoM Stock Exchange of Hanoi Stock Exchange (“HNX”) with the stock trading code CC1. Details of the percentage of contributed capital of shareholders are presented in Note 24.

The Head Office's normal business cycle is from the point of time when the Head Office purchase material for construction procedures to the point of time when construction works are accomplished.

The Head Office's business activities are construction and real estate business.

The Head Office's principal activities are:

- Construction, building and installing machinery and equipment for civil and industrial works, industry, traffic, irrigation, hydropower, postal, foundations, urban and industrial infrastructure engineering works, power line projects, power transformer stations.
- Construction consulting, construction investment, electricity business.
- Space and office rental services.
- Purchase and sale of materials
- Design and construction of civil, industrial and technical infrastructure; and
- Real estate business.

The Company has registered office at 111A, Pasteur Street, Ben Nghe Ward, District 1, Ho Chi Minh City. As at 31 December 2023 and 31 December 2022 the Company had 6 branches as below:

- Branch of Construction Corporation No 1 Joint Stock Company - Central: No. 10 Dang Huy Ta, Hoa Minh Ward, Lien Chieu District, Da Nang City, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company: No. 45, Alley 61, Lane 17, Phung Chi Kien Street, Nghia Do Ward, Cau Giay District, Hanoi City, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company - Cambodia: Lot 185 Room 1508, 15th Floor, St.329 Ph.3 Sk.Boeng Kak 2 Kh.Tuol Kouk, Phnom Penh, Cambodia;
- Branch of Construction Corporation No 1 Joint Stock Company - Dong Thap: No. 79 Le Thi Rieng, Ward 1, Cao Lanh City, Dong Thap Province, Vietnam;
- Branch of Construction Corporation No 1 Joint Stock Company - Phu Yen: No.99 Le Thanh Phuong, Ward 8, Tuy Hoa City, Phu Yen Province, Vietnam; and
- Branch of Construction Corporation No 1 Joint Stock Company - Soc Trang: Plot no. 93, Map sheet no. 76, Provincial Road 8, Hoi Trung Hamlet, Lich Hoi Thuong Town, Tran De District, Soc Trang Province, Vietnam.

As at 31 December 2023, the Head Office had 629 employees (as at 31 December 2022: 560 employees).

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 09 – DN

1 GENERAL INFORMATION (continued)

As at 31 December 2023, the Head Office had 7 subsidiaries and 6 associates (as at 31 December 2022: 7 subsidiaries and 7 associates). Details are presented as below:

No.	Company Name	Principal activities	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
<b>Subsidiaries</b>							
1	CC1 Trading Services Joint Stock Company	Trading and services	Ho Chi Minh City	98.00	98.00	98.00	98.00
2	No.1 Viet Quang Construction Joint Stock Company	Construction of civil, industrial, traffic, infrastructure, hydropower, irrigation works	Ho Chi Minh City	94.71	94.71	94.71	94.71
3	Hai Phong Coast Road Investment Company Limited	Construction of railways and road projects	Hai Phong City	75.00	75.00	75.00	75.00
4	Vina-PSMC Precast Concrete Company Limited	Producing concrete and products from cement and gypsum	Long An Province	70.00	70.00	70.00	70.00
5	CC1 Investment Joint Stock Company (Note 4(b)(i))	Construction and trading	Ho Chi Minh City	65.00	65.00	-	-
6	Dong Nai Bridge Investment and Construction Joint Stock Company	Construction of railway and road works, construction of civil works	Dong Nai Province	63.59	63.59	63.59	63.59
7	Krong Pac Investment and Development Joint Stock Company (*)	Trading real estates and land use rights	Dak Lak Province	50.50	75.00	-	-
8	Mekong No.1 Construction Investment Joint Stock Company (Note 4(b)(i))	Producing concrete and products from cement and gypsum	Ho Chi Minh City	-	-	51.00	51.00
9	No.1 Viet Nguyen Construction Joint Stock Company (Note 4(b)(i))	Construction of civil, industrial, traffic, infrastructure, hydropower, irrigation works	Ho Chi Minh City	-	-	51.00	51.00

(\*) As at 31 December 2023, the ownership right is smaller than the voting right due to the capital structure of Krong Pac Investment and Development Joint Stock Company includes capital contribution from the Head Office and capital contribution from CC1 Investment Joint Stock Company (Note 4(b)(i)).

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

Form B 09 – DN

1 GENERAL INFORMATION (continued)

No.	Company Name	Principal activities	Place of incorporation and operation	2023		2022	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
<b>Associates</b>							
1	3H Building Materials Joint Stock Company	Sales of materials and other installation equipment in construction	Ho Chi Minh City	49.00	49.00	49.00	49.00
2	Materials and Agricultural Product Number 1 Joint Stock Company (Note 4(b)(ii))	Mining, collecting coal and produce construction materials, food processing and others construction civil works	Ho Chi Minh City	47.00	47.00	-	-
3	No.1 Viet Hung Construction Joint Stock Company	Manufacture of concrete and products from cement and plaster, construction of railways, roads, and other civil works	Ho Chi Minh City	40.80	40.80	40.80	40.80
4	Chuong Duong Joint Stock Company	Construction of houses and other civil works	Ho Chi Minh City	23.77	23.77	23.77	23.77
5	Mien Trung Construction and Manufacture Building Materials Joint Stock Company	Producing construction stone processing products, constructing other civil engineering works	Quang Ngai Province	22.38	22.38	22.38	22.38
6	No.1 Viet Tong Construction Joint Stock Company	Construction of railway and road works, construction of civil works	Ho Chi Minh City	20.40	20.40	20.40	20.40
7	Nhan Phuc Duc Investment Joint Stock Company (Note 4(b)(ii))	Construction of houses and other civil works	Ho Chi Minh City	4.53	4.53	34.00	34.00
8	CC1 North Investment and Construction Joint Stock Company (Note 4(b)(ii))	Construction of civil engineering works	Ha Noi City	-	-	40.00	40.00



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of financial statements of the Head Office**

The financial statements of the Head Office have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the financial statements. The financial statements of the Head Office have been prepared under the historical cost convention.

The accompanying financial statements of the Head Office are not intended to present the financial position and results of its operations and its cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

In addition, the Head Office has also prepared the separate financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of financial statements of the Head Office.

Users of these financial statements of the Head Office should read them together with the separate financial statements of the Company for the year ended 31 December 2023 in order to obtain full information of the separate financial position and separate results of its operations and its separate cash flows of the Company.

The financial statements of the Head Office in the Vietnamese language are the official statutory financial statements of the Head Office. The financial statements of the Head Office in the English language have been translated from the Vietnamese version.

**2.2 Fiscal year**

The Head Office's fiscal year is from 1 January to 31 December.

**2.3 Currency**

The financial statements of the Head Office are measured and presented in Vietnamese Dong ("VND" or "Dong"), which is the Head Office's accounting currency.

**2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement of the Head Office.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date of the Head Office are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank with which the Head Office regularly transacts. Foreign currencies deposited in banks at the balance sheet date of the Head Office are translated at the buying exchange rate of the commercial bank where the Head Office opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement of the Head Office.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.5 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at banks and other short-term investments with an original maturity of three months or less.

**2.6 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the balance sheet of the Head Office based on the remaining period from the balance sheet date of the Head Office to the maturity date.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

Construction materials and construction work are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis and includes all costs of purchasing and other costs of acquiring construction materials and of constructing the work in its present location and condition. Net realizable value is the estimated selling price of building materials and construction works in the ordinary course of business, less the estimated costs of completion and transfer expenses.

The Head Office applies the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving, and defective inventory items. The difference between the provision of this period and the provision of the previous period is recognised as an increase or decrease of cost of goods sold in the period.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments****(a) Investments held to maturity**

Investments held to maturity are investments which the Head Office has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits and bonds held to maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the balance sheet of the Head Office based on the remaining period from the balance sheet date of the Head Office to the maturity date.

**(b) Investments in subsidiaries**

Subsidiaries are all entities whose financial and operating policies the Head Office has the power to govern the financial and operating policies to gain future benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Head Office controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

**(c) Investments in associates**

Associates are investments that the Head Office has significant influence but not control over and the Head Office would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are accounted for at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

**(d) Investments in other entities**

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments (continued)****(e) Provision for investments in subsidiaries, associates and other entities**

Provision for investments in subsidiaries, associates and other entities is made when there is a diminution in value of the investments.

Provision for investments in subsidiaries and associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associates.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

**2.9 Lendings**

Lendings are loans for interest earning granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the expected loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lendings on the balance sheet of the Head Office based on the remaining term of the lendings as at the balance sheet date of the Head Office.

**2.10 Construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of design, technology and functions or ultimate purpose of use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses, respectively for the works performed and certified by customer. The compensation and other revenue are only recognised in revenue when certified by customer.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Construction contracts (continued)**

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the year.

**2.11 Business cooperation contract**

A business cooperation contract ("BCC") is a contract between the Head Office and other parties to carry out specific business activities without establishing a new legal entity. These activities are controlled by one of the parties. The BCC is based on shares of post-tax profits. The parties in a BCC may agree to share profits after tax.

A BCC in the form of shares of profits after tax is jointly controlled or controlled by one party.

- If a BCC states that each party is entitled to a fixed amount of profit regardless of the performance of the BCC, it is a lease of asset in substance.
- If the BCC states that each party is entitled to profits when the BCC is profitable and is required to bear losses when the BCC is loss making, in substance, the BCC parties share revenue and expenses because each party can jointly control the operation and cash flows of the BCC.

When the Head Office is not in charge of accounting and tax finalisation, the Head Office accounts for its proportionate share of revenue and expenses from the BCC.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements of the Head Office minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Buildings and structures	3 – 25 years
Machinery and equipment	3 – 7 years
Motor vehicles	6 – 8 years
Office equipment	3 – 5 years
Software	3 years
Other	5 years

Land use rights comprise of land use rights and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

*Disposal*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the income statement of the Head Office.

*Construction in progress*

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipments; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Head Office's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Investment properties held for lease**

The historical cost of an investment property held for lease represents the amount of cash or cash equivalents paid or the fair value of another consideration given to acquire the investment property held for lease at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties held for lease can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred in the period.

*Depreciation*

Investment properties held for lease are depreciated on straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. Depreciable amount equals to the historical cost of assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Land use rights	50 years
Buildings and structures	25 years

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of investment properties and are recognised as income or expense in the income statement of the Head Office.

**2.14 Leased assets**

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased assets or the present value of the minimum lease payments.

Each lease payment is separated between the liability and finance charges to achieve a constant rate on the outstanding finance lease balance. The corresponding rental obligations, net of finance charge, are included in long-term borrowings.

The interest element of the finance cost is charged to the income statement over the lease term. The property, plant and equipment acquired under finance leasing contracts is depreciated on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement of the Head Office on a straight-line basis over the term of the lease.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the balance sheet of the Head Office. Short-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over estimated useful lives.

**2.16 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables, and payables not relating to purchases of goods and services.

Payables are classified into short-term and long-term payables on the balance sheet of the Head Office based on the remaining period from the balance sheet date of the Head Office to the maturity date.

**2.17 Borrowings and finance lease liabilities**

Borrowings and finance lease liabilities include borrowings and finance lease liabilities from banks, other entities; and bonds issuance.

Borrowings and finance lease liabilities are classified into short-term and long-term on the balance sheet of the Head Office based on their remaining period term from the balance sheet date of the Head Office to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Head Office determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Head Office's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the income statement of the Head Office when incurred.

**2.18 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Provisions**

Provisions are recognised when the Head Office has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

**2.20 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for asset leases. The Head Office records unearned revenue for the future obligations that the Head Office has to fulfil. Unearned revenue is recognised as revenue in the income statement of the Head Office during the period to the extent that revenue recognition criteria have been met.

Unearned revenue is classified short-term and long-term on the balance sheet of the Head Office based on the obligations that the Head Office will perform within next 12 months or normal business cycle and after next 12 months or after normal business cycle as at balance sheet date.

**2.21 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed at par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Head Office's accumulated results after CIT at the reporting date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Appropriation of profit**

The Head Office's dividends are recognised as a liability in the Head Office's financial statements in the period in which the dividends are approved by the Company's General Meeting of Shareholders.

The plan for distribution of profit after CIT is implemented in accordance with the Resolution of the General Meeting of Shareholders and after appropriation to other funds in accordance with the Head Office's charter and Vietnamese regulations.

The Head Office's funds are as below:

**(a) Investment and development fund**

Investment and development fund is appropriated from profit after CIT of the Head Office and approved by shareholders at the General Meeting of Shareholders. This fund is used for the Head Office's expansion of its operation or in-depth investments.

**(b) Bonus and welfare fund**

Bonus and welfare fund is appropriated from profit after CIT of the Head Office and subject to Shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the balance sheet of the Head Office. The fund is used to reward and encourage material benefits, to serve the needs of public welfare, to improve and enhance the material and spiritual life of employees.

**2.23 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the income statement of the Head Office when all five (5) of the following conditions are satisfied:

- The Head Office has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Head Office retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Head Office; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation. If the Head Office gives promotional goods to customers associated with their purchases, the Head Office allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the income statement of the Head Office.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.23 Revenue recognition (continued)****(b) Revenue from construction contracts**

Revenue from construction contracts is comprised of the revenue initially set out in contracts; increases, decreases during the term of the contract; bonuses; and other payments to be received from customers or other parties to compensate for the costs not included in the contractual price; other payments that customers agreed to compensate; and other payments provided that these amounts can change the revenue and can be reliably determined. Revenue from construction contracts is recognised in accordance with the guidance presented in Note 2.10.

**(c) Revenue from rendering of services**

Revenue from rendering of services is recognised in the income statement of the Head Office when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Head Office;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(d) Interest income**

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

**(e) Dividend income**

Income from dividends is recognised when the Head Office has established the receiving rights from investees.

**2.24 Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year.

Sales deductions for sales of products, goods or rendering of services which are sold/rendered in the year but are incurred after the balance sheet date of the Head Office but before the issuance of the financial statements of the Head Office are recorded as a deduction from the revenue of the year.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudent basis.

**2.26 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activity, expenses of borrowing; provision for diminution in value of investments, losses incurred when selling foreign currencies, losses from foreign exchange differences, and payment discounts.

**2.27 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services.

**2.28 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes of the Head Office.

**2.29 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date of the Head Office.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.30 Segment reporting**

A segment is a component which can be separated by the Head Office engaged in sales of goods or rendering of services (business segment), or sales of goods or rendering of services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Head Office's business segment or the Head Office's geographical segment.

**2.31 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Head Office, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Head Office. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Head Office that gives them significant influence over the Head Office, key management personnel, including members of the Board of Directors, the Audit Committee and the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each related party, the Head Office considers the substance of the relationship not merely the legal form.

**2.32 Critical accounting estimates**

The preparation of financial statements of the Head Office in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Provision for investments (Note 2.8 and Note 4);
- Provision for short-term doubtful debt (Note 2.6 and Note 9)
- Estimated useful life of fixed assets and investment properties held for lease (Note 2.12, Note 2.13, Note 13, Note 14 Note 15 and Note 16);
- Accrued expenses (Note 20); and
- CIT (Note 33).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Head Office and that are assessed by the Board of Management to be reasonable under the circumstances.

**3 CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	539,344,984	724,176,372
Cash at banks	1,731,748,783,902	971,800,060,177
Cash equivalents (*)	856,835,078,513	412,527,833,515
	<u>2,589,123,207,399</u>	<u>1,385,052,070,064</u>

(\*) As at 31 December 2023, cash equivalents are term deposits in VND with an original maturity of 3 months or less and earn interest at the rates from 2.1%/year to 5.0%/year (as at 31 December 2022: from 3.8%/year to 6.0%/year).

As at 31 December 2023, included in cash equivalents are term deposits at banks with amount of VND615,425,694,123 (as at 31 December 2022: VND83,586,593,025) were pledged as collateral for borrowings (Note 23).

4 INVESTMENTS

(a) Investments held to maturity

	2023		2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Short-term deposits (i)	110,321,000,000	110,321,000,000	88,031,000,000	88,031,000,000
Long-term bonds (ii)	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000

(i) As at 31 December 2023, short-term investments held to maturity are term deposits at banks with original maturities from 6 months to 12 months and earn interest at the rates from 2.9%/year to 9.2%/year (as at 31 December 2022: from 3.7%/year to 6.2%/year).

(ii) As at 31 December 2023, long-term investment held to maturity were bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade. The bonds earn interest at the reference rate plus (+) a margin 1%/year and mature on 30 July 2030.

CONSTRUCTION CORPORATION NO 1 JOINT STOCK COMPANY

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries, associates and other entities

(i) Investments in subsidiaries

No.	Company	31.12.2023			31.12.2022		
		Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
1	Hai Phong Coast Road Investment Company Limited	675,000,000,000	(*)	-	675,000,000,000	(*)	-
2	Dong Nai Bridge Investment and Construction Joint Stock Company	245,927,882,961	(*)	(245,927,882,961)	245,927,882,961	(*)	(245,927,882,961)
3	No.1 Viet Quang Construction Joint Stock Company	217,191,472,440	(*)	-	217,191,472,440	(*)	-
4	CC1 Trading Services Joint Stock Company	147,000,000,000	(*)	-	147,000,000,000	(*)	-
6	CC1 Investment Joint Stock Company (**)	130,000,000,000	(*)	-	-	-	-
5	Vina-PSMC Precast Concrete Company Limited	30,063,773,597	(*)	(7,064,115,523)	30,063,773,597	(*)	(7,064,115,523)
7	Krong Pac Investment and Development Joint Stock Company (***)	6,500,000,000	(*)	-	-	-	-
8	Mekong No.1 Construction Investment Joint Stock Company (****)	-	-	-	76,500,000,000	(*)	-
9	No.1 Viet Nguyen Construction Joint Stock Company (****)	-	-	-	52,770,837,694	(*)	-
		<u>1,451,683,128,998</u>		<u>(252,991,998,484)</u>	<u>1,444,453,966,692</u>		<u>(252,991,998,484)</u>



**4 INVESTMENTS (continued)**

**(b) Investments in subsidiaries, associates and other entities (continued)**

*(i) Investments in subsidiaries (continued)*

- (\*) As at 31 December 2023 and 31 December 2022, the Head Office had not determined the fair values of these investments to disclose on the financial statements of the Head Office because they are not listed on the stock market. The fair values of such investments may be different from their book values.
- (\*\*) According to the Resolution of the Board of Directors No. 119/NQ-HĐQT dated 8 August 2023, the Board of Directors has decided to contribute capital to establish CC1 Investment Joint Stock Company (“CC1 Investment”). CC1 Investment has a registered charter capital of VND200,000,000,000. As at the date of these financial statements of the Head Office, the Head Office has completed the capital contribution to this subsidiary.
- (\*\*\*) According to the Resolution of the Board of Directors No. 161/NQ-HĐQT dated 24 October 2023, the Board of Directors has decided to contribute capital to establish Krong Pac Investment and Development Joint Stock Company (“Krong Pac”). Krong Pac has a registered charter capital of VND130,000,000,000. As at the date of these financial statements of the Head Office, the Head Office has completed the capital contribution to this subsidiary.
- (\*\*\*\*) According to the Resolution of the Board of Directors No. 263/NQ-HĐQT dated 10 October 2022 and the Resolution of the Board of Directors No. 33/NQ-HĐQT dated 9 March 2023, the Board of Directors decided to transfer all shares of its investments of the Head Office in Mekong No.1 Construction Investment Joint Stock Company and No.1 Viet Nguyen Construction Joint Stock Company. The variance between transfer price and the original cost of investments is recognised in separate income statement (Note 29).

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries, associates and other entities (continued)

(ii) Investments in associates

No.	Company	2023			2022		
		Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
1	3H Building Materials Joint Stock Company	294,000,000,000	(*)	-	294,000,000,000	(*)	-
2	Materials and Agricultural Product Number 1 Joint Stock Company (**)	94,000,000,000	(*)	-	-	-	-
3	Chuong Duong Joint Stock Company (***)	24,888,990,000	104,795,074,350	-	24,888,990,000	95,387,037,750	-
4	No.1 Viet Hung Construction Joint Stock Company	20,400,000,000	(*)	-	20,400,000,000	(*)	(20,400,000,000)
5	Mien Trung Construction and Manufacture Building Materials Joint Stock Company	3,735,000,000	(*)	(3,735,000,000)	3,735,000,000	(*)	(3,735,000,000)
6	No.1 Viet Tong Construction Joint Stock Company	2,040,000,000	(*)	(2,040,000,000)	2,040,000,000	(*)	(2,040,000,000)
7	CC1 North Investment and Construction Joint Stock Company (****)	-	-	-	240,000,000,000	(*)	-
8	Nhan Phuc Duc Investment Joint Stock Company (****)	-	-	-	64,068,750,000	(*)	(3,349,320,639)
		<u>439,063,990,000</u>	<u>(5,775,000,000)</u>		<u>649,132,740,000</u>	<u>(29,524,320,639)</u>	

**4 INVESTMENTS (continued)**

**(b) Investments in subsidiaries, associates and other entities (continued)**

*(iii) Investments in associates (continued)*

(\*) As at 31 December 2023 and 31 December 2022, the Head Office had not determined the fair values of these investments to disclose on the financial statements of the Head Office because they are not listed on the stock market. The fair values of such investments may be different from their book values.

(\*\*) According to the Resolution of the Board of Directors No. 49/NQ-HDQT dated 28 March 2023, the Board of Directors decided to contribute capital in Materials and Agricultural Product Number 1 Joint Stock Company. As at 31 December 2023, the Head Office has contributed in cash by VND94 billion, equivalent to 47% of ownership and of voting rights in this associate.

(\*\*\*) Fair value of this investment is based on the closing price as at 31 December 2023 and 31 December 2022 of Ho Chi Minh City Stock Exchange.

(\*\*\*\*) According to the Resolution of the Board of Directors No. 169/NQ-HDQT dated on 21 November 2023, the Board of Directors has decided to transfer shares of its investment of the Head Office in CC1 North Investment and Construction Joint Stock Company (“CC1 North”), Nhan Phuc Duc Investment Joint Stock Company (“Nhan Phuc Duc”) and No.1 Viet Hoa Construction Joint Stock Company (“Viet Hoa”). The variance between tranfer price and the original cost of investment is recognised in income statement of the Head Office (Note 29).

As at 31 December 2023, the remaining proportion of voting rights of the Head Office in Nhan Phuc Duc is 4.53%. Accordingly, the investment in Nhan Phuc Duc is presented as a investment in other entity (Note 4(b)(iii)).

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries, associates and other entities (continued)

(iii) Investments in other entities

No.	Company	2023			2022		
		Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
1	Thai Binh Cau Nghin Investment Joint Stock Company	27,000,000,000	(*)	-	27,000,000,000	(*)	-
2	Cam Lo - Tuy Loan BT Investment Company Limited	25,191,941,822	(*)	-	42,680,957,822	(*)	-
3	Nhan Phuc Duc Investment Joint Stock Company	8,542,500,000	(*)	-	-	-	-
4	CC1 - Quang Binh Investment Construction Limited Company	1,200,000,000	(*)	-	1,200,000,000	(*)	-
5	No.1 Viet Hoa Construction Joint Stock Company (Note 4(b)(ii))	-	-	-	2,141,408,839	(*)	(1,800,000,000)
		<u>61,934,441,822</u>		<u>-</u>	<u>73,022,366,661</u>		<u>(1,800,000,000)</u>

(\*) As at 31 December 2023 and 31 December 2022, the Head Office had not determined the fair values of these investments to disclose on the financial statements of the Head Office because they are not listed on the stock market. The fair values of such investments may be different from their book values.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2023 VND</b>	<b>2022 VND</b>
Third parties (*)	1,452,852,246,372	1,538,974,258,607
Related parties (Note 37(b))	53,519,564,014	83,225,807,061
	<u>1,506,371,810,386</u>	<u>1,622,200,065,668</u>

Details of short-term trade accounts receivable that was past due or not past due but doubtful are presented in Note 9.

(\*) As at 31 December 2023 and 31 December 2022, details for customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable – third parties are as follows:

	<b>2023 VND</b>	<b>2022 VND</b>
Project Construction and Management Joint Stock Company No 1	145,143,302,177	147,045,560,130
Transport and Industrial Development Investment Joint Stock Company Management Board of Civil and Industrial Construction Investment Project of Tien Giang Province	142,645,014,106	185,845,457,177
	<u>-</u>	<u>254,344,595,000</u>

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2023 VND</b>	<b>2022 VND</b>
Third parties (*)	2,167,120,016,207	2,319,663,862,815
Related parties (Note 37(b))	719,797,730,312	1,138,154,693,845
	<u>2,886,917,746,519</u>	<u>3,457,818,556,660</u>

Details of short-term prepayments to suppliers that were past due or not past due but doubtful are presented in Note 9.

(\*) As at 31 December 2023 and 31 December 2022, details for suppliers who had a balance accounting for 10% or more of the total balance of short-term prepayments to suppliers – third parties are as follows:

	<b>2023 VND</b>	<b>2022 VND</b>
Keytech Joint Stock Company	<u>703,070,133,817</u>	<u>1,080,999,606,385</u>

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7 LENDINGS

(a) Short-term

	As at 1.1.2023 VND	Increase during the year VND	Collection in the year VND	Current portion of long-term lending VND	Revalue foreign currency balances at year-end VND	As at 31.12.2023 VND
Related parties (Note 37(b))	<u>70,982,512,260</u>	<u>-</u>	<u>(48,285,537,633)</u>	<u>9,312,362,070</u>	<u>293,449,946</u>	<u>32,302,786,643</u>

(b) Long-term

	As at 1.1.2023 VND	Increase during the year VND	Collection in the year VND	Current portion of long-term lending VND	Revalue foreign currency balances at year-end VND	As at 31.12.2023 VND
Related parties (Note 37(b))	<u>429,550,617,139</u>	<u>271,700,000,000</u>	<u>-</u>	<u>(9,312,362,070)</u>	<u>1,471,187,343</u>	<u>693,409,442,412</u>

As at 31 December 2023 and 31 December 2022, there was no balance of short-term and long-term lendings that were past due or not past due but doubtful.

**8 OTHER RECEIVABLES**

**(a) Short-term**

	<b>2023 VND</b>	<b>2022 VND</b>
Third parties	1,065,724,982,302	846,260,261,174
Related parties (Note 37(b))	179,489,758,290	111,136,452,730
	<u>1,245,214,740,592</u>	<u>957,396,713,904</u>

As at 31 December 2023 and 31 December 2022, details of other short-term receivables are presented as below:

	<b>2023 VND</b>	<b>2022 VND</b>
Receivable from transfer of investments (*)	720,930,000,000	-
Interest receivables from lendings, term deposits and bonds	257,919,653,000	105,750,155,753
Maintenance cost related to Dong Nai Bridge project (Note 37(b))	84,581,690,255	84,455,257,255
Advances to employees	71,958,413,162	84,958,786,216
Receivable from business cooperation contract for Hai Ninh Urban Area project (**)	51,719,640,000	51,719,640,000
Dividends shared and profits distributed	8,571,991,369	8,075,256,755
Receivable from business cooperation contract for Dong Trung Urban Area project (***)	-	584,000,000,000
Others	49,533,352,806	38,437,617,925
	<u>1,245,214,740,592</u>	<u>957,396,713,904</u>

(\*) This balance is related to the remaining receivables for divestments from investments in CC1 North, Nhan Phuc Duc and Viet Hoa. As at the date of these financial statements of the Head Office, these receivables have been collected.

(\*\*) This balance is related to the BCC with Duc Chi Investment and Development Joint Stock Company to implement Hai Ninh 1 Urban Area project. The parties jointly establish a new company for project implementation the current project with the percentage of ownership in accordance with the agreed term of this contract.

(\*\*\*) As at 31 December 2023, the BCC has been liquidated and collected money in cash from partners.

Details of other short-term receivables that were past due or not past due but doubtful are presented in Note 9.

8 OTHER RECEIVABLES (continued)

(b) Long-term

	2023 VND	2022 VND
Third parties	1,061,625,564,502	1,076,164,661,178
Related parties (Note 37(b))	422,185,926,368	426,152,604,648
	<u>1,483,811,490,870</u>	<u>1,502,317,265,826</u>

As at 31 December 2023 and 31 December 2022, details of other long-term receivables are presented as below:

	2023 VND	2022 VND
Receivables from business cooperation contract for Tri An Lake View Project (*)	1,050,000,000,000	1,050,000,000,000
Payments on behalf for related party (Note 37(b))	419,833,767,304	419,833,767,304
Deposits	1,386,379,642	21,350,796,582
Others	12,591,343,924	11,132,701,940
	<u>1,483,811,490,870</u>	<u>1,502,317,265,826</u>

(\*) This is a receivable related to the BCC on 30 July 2021 signed with Golden Land Real Estate Services Trading Investment Joint Stock Company for Tri An Lake View Project implementation. The cooperation period of this BCC is 49 years. The Head Office participates in management and will be distributed profits based on the actual rate of capital contribution to the project.

As at 31 December 2023 and 31 December 2022, there was no balance of other short-term and long-term receivables that were past due or not past due but doubtful.



9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	<b>2023</b>		
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>
<b>Short-term trade accounts receivable</b>	141,985,682,565	21,917,968,870	(120,067,713,695)
Construction activities stream	93,610,509,824	14,310,019,014	(79,300,490,810)
Sale of goods and material stream	46,280,474,604	7,607,949,856	(38,672,524,748)
Others	2,094,698,137	-	(2,094,698,137)
<b>Prepayments to suppliers</b>	46,867,052,110	18,382,282,751	(28,484,769,359)
Construction activities stream	32,272,920,543	16,963,483,963	(15,309,436,580)
Others	14,594,131,567	1,418,798,788	(13,175,332,779)
<b>Other short-term receivables</b>	7,283,919,895	-	(7,283,919,895)
	<u>196,136,654,570</u>	<u>40,300,251,621</u>	<u>(155,836,402,949)</u>

10 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress (*)	653,919,844,410	-	371,707,659,535	-
Raw materials	441,716,362	-	8,143,676,269	-
Tools and supplies	588,215,251	-	615,307,853	-
Real estate	80,543,646,479	-	80,543,646,479	-
Merchandises	926,114,731	-	7,668,895,398	(901,451,026)
	<u>736,419,537,233</u>	<u>-</u>	<u>468,679,185,534</u>	<u>(901,451,026)</u>

(\*) Details of work in progress by projects are as follows:

	2023 VND	2022 VND
Tropicana Nha Trang	145,485,766,863	145,485,766,863
Binh Duong Provincial General Hospital	126,890,872,900	113,988,818,233
T3 Tan Son Nhat Passenger Terminal	66,504,303,493	587,054,273
North-South Expressway, Can Tho - Hau Giang section	50,905,564,831	8,730,000
North-South Expressway, Chi Thanh - Van Phong section	43,525,689,592	5,000,000
Vinhomes Dream City Hung Yen	35,724,122,296	19,865,744,316
Vung Ang II Thermal Power Plant	33,080,328,000	5,279,309,724
Golden City Social Housing area	28,118,934,400	-
North-South Expressway, Hau Giang - Ca Mau section	26,808,975,424	-
Habitat Binh Duong Apartment Phase 3	19,749,497,815	1,184,696,633
Casa Marina Resort	-	16,093,674,627
Hang Bang Drainage System	-	14,650,000,000
Others	77,125,788,796	54,558,864,866
	<u>653,919,844,410</u>	<u>371,707,659,535</u>

11 LONG-TERM PREPAID EXPENSES

	2023 VND	2022 VND
Rental right repurchase cost (*)	33,099,830,763	36,108,906,292
Prepaid expenses relating to La Son Tuy Loan project	-	16,853,328,828
Tools and supplies	4,283,534,785	7,541,231,802
Others	6,898,598,660	6,790,267,554
	<u>44,281,964,208</u>	<u>67,293,734,476</u>

(\*) As at 31 December 2023 and 31 December 2022, the balance represents prepaid expense for the repurchase of rental right of the 22nd floor of Sailing Tower from Phuc Thinh Asset Management Limited Company.

12 TAX AND OTHER PAYABLES TO/RECEIVABLES FROM THE STATE

Movements in tax and other payables to, receivables from the State are as follows:

	As at 1.1.2023 VND	Payables/ receivables during the year VND	Payment/net off during the year VND	As at 31.12.2023 VND
<b>(a) Receivables</b>				
Output VAT on external current	76,507,452,429	-	39,475,848,814	115,983,301,243
<b>(b) Payables</b>				
VAT output	-	484,821,405,022	(484,821,405,022)	-
Personal income tax	2,678,530,058	14,841,437,457	(13,331,144,942)	4,188,822,573
CIT	37,490,992,433	75,732,319,904	(57,525,681,110)	55,697,631,227
Others	-	10,449,418,617	(10,449,418,617)	-
	<u>40,169,522,491</u>	<u>585,844,581,000</u>	<u>(566,127,649,691)</u>	<u>59,886,453,800</u>

(c) The balance represents the VAT to be reclaimed.

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13 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
As at 1 Jan 2023	5,509,556,041	2,204,533,293	31,150,476,169	9,136,784,544	774,600,000	<b>48,775,950,047</b>
New purchases during the year	-	1,277,226,909	2,146,136,364	2,122,448,206	-	<b>5,545,811,479</b>
Disposal	-	-	(824,707,753)	(39,345,455)	-	<b>(864,053,208)</b>
As at 31 December 2023	<u>5,509,556,041</u>	<u>3,481,760,202</u>	<u>32,471,904,780</u>	<u>11,219,887,295</u>	<u>774,600,000</u>	<b><u>53,457,708,318</u></b>
<b>Accumulated depreciation</b>						
As at 1 Jan 2023	693,840,000	2,009,016,446	10,420,321,449	9,136,784,544	389,871,352	<b>22,649,833,791</b>
Charge for the year	859,949,295	639,287,069	4,803,719,930	829,732,453	154,920,024	<b>7,287,608,771</b>
Disposal	-	-	(824,707,753)	(39,345,455)	-	<b>(864,053,208)</b>
Others	-	(955,104,545)	(104,922,129)	(700,877,019)	-	<b>(1,760,903,693)</b>
As at 31 December 2023	<u>1,553,789,295</u>	<u>1,693,198,970</u>	<u>14,294,411,497</u>	<u>9,226,294,523</u>	<u>544,791,376</u>	<b><u>27,312,485,661</u></b>
<b>Net book value</b>						
As at 1 Jan 2023	<u>4,815,716,041</u>	<u>195,516,847</u>	<u>20,730,154,720</u>	<u>-</u>	<u>384,728,648</u>	<b><u>26,126,116,256</u></b>
As at 31 December 2023	<u>3,955,766,746</u>	<u>1,788,561,232</u>	<u>18,177,493,283</u>	<u>1,993,592,772</u>	<u>229,808,624</u>	<b><u>26,145,222,657</u></b>

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND19,286,933,841 (as at 31 December 2022: VND19,553,187,049).

As at 31 December 2023 and 31 December 2022, the Head Office used a few fully depreciated motor vehicles to pledge with banks as collaterals for borrowings (Note 23).

**14 FINANCE LEASE FIXED ASSETS**

	<b>Motor vehicles VND</b>
<b>Historical cost</b>	
As at 1 Jan 2023	-
New leases during the year	23,872,852,728
	<hr/>
As at 31 December 2023	23,872,852,728
	<hr/>
<b>Accumulated depreciation</b>	
As at 1 Jan 2023	-
Charge for the year	1,247,489,318
	<hr/>
As at 31 December 2023	1,247,489,318
	<hr/>
<b>Net book value</b>	
As at 1 Jan 2023	-
	<hr/> <hr/>
As at 31 December 2023	22,625,363,410
	<hr/> <hr/>

As at 31 December 2023, the balance presented finance lease fixed assets from finance lease contracts with Finance Leasing Company Limited – Vietnam Joint Stock Commercial Bank for Industry and Trade and BIDV – Sumi TRUST Leasing Co., Ltd (Note 23). At the end of lease term, the lessor undertakes to resell the asset to the Head Office at the nominal redemption value specific in the financial lease contract.

**15 INTANGIBLE FIXED ASSETS**

	Land use right VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 Jan 2023	1,809,558,000	772,662,500	<b>2,582,220,500</b>
New purchases during the year		1,287,606,600	<b>1,287,606,600</b>
As at 31 December 2023	<u>1,809,558,000</u>	<u>2,060,269,100</u>	<b><u>3,869,827,100</u></b>
<b>Accumulated amortisation</b>			
As at 1 Jan 2023	-	747,074,051	<b>747,074,051</b>
Charge for the year	-	100,819,165	<b>100,819,165</b>
As at 31 December 2023	<u>-</u>	<u>847,893,216</u>	<b><u>847,893,216</u></b>
<b>Net book value</b>			
As at 1 Jan 2023	<u>1,809,558,000</u>	<u>25,588,449</u>	<b><u>1,835,146,449</u></b>
As at 31 December 2023	<u><u>1,809,558,000</u></u>	<u><u>1,212,375,884</u></u>	<b><u><u>3,021,933,884</u></u></b>

The historical cost of fully depreciated intangible fixed assets but still in use as at 31 December 2023 was VND772,662,500 (as at 31 December 2022: nil).

**16 INVESTMENT PROPERTIES HELD FOR LEASE**

	Land use right VND	Buildings and structures VND	Total VND
<b>Historical cost</b>			
As at 1 Jan 2023 and as at 31 December 2023	<u>275,070,592,472</u>	<u>470,881,343,764</u>	<b><u>745,951,936,236</u></b>
<b>Accumulated depreciation</b>			
As at 1 Jan 2023	45,336,170,181	186,484,470,807	<b>231,820,640,988</b>
Charge for the year	5,512,712,818	19,605,161,279	<b>25,117,874,097</b>
As at 31 December 2023	<u>50,848,882,999</u>	<u>206,089,632,086</u>	<b><u>256,938,515,085</u></b>
<b>Net book value</b>			
As at 1 Jan 2023	<u>229,734,422,291</u>	<u>284,396,872,957</u>	<b><u>514,131,295,248</u></b>
As at 31 December 2023	<u><u>224,221,709,473</u></u>	<u><u>264,791,711,678</u></u>	<b><u><u>489,013,421,151</u></u></b>

In 2023, revenue earned from investment properties held for lease was VND162,994,466,699 (in 2022: VND159,473,361,152).

**16 INVESTMENT PROPERTIES HELD FOR LEASE (continued)**

As at 31 December 2023, the Head Office's investment properties held for lease with a carrying value of VND359,570,966,157 (as at 31 December 2022: VND378,257,523,381) were pledged as collaterals for borrowings of the Head Office and third parties.

As at 31 December 2023, the Head Office's investment properties held for lease are currently being leased, so the Board of Management has not officially determined the fair value of these properties. Based on the ratio and rental value of investment properties, the Board of Management assesses that the fair value of these properties is greater than the carrying amount at the end of the fiscal year.

**17 CONSTRUCTION IN PROGRESS**

Details of construction in progress is as follow:

	2023 VND	2022 VND
Hanh Phuc Project	549,931,939,857	523,504,843,506
Sailing Tower Project	15,246,572,627	14,946,673,077
Ham Kiem - Binh Thuan Wind Power Plant Project	4,645,600,000	53,709,161,632
Others	1,365,549,091	6,099,714,775
	<u>571,189,661,575</u>	<u>598,260,392,990</u>

**18 TRADE ACCOUNTS PAYABLE****(a) Short-term**

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	977,217,135,771	977,217,135,771	735,276,023,176	735,276,023,176
Related parties (Note 37(b))	54,188,208,448	54,188,208,448	63,930,838,896	63,930,838,896
	<u>1,031,405,344,219</u>	<u>1,031,405,344,219</u>	<u>799,206,862,072</u>	<u>799,206,862,072</u>

(\*) As at 31 December 2023 and 31 December 2022, details of suppliers who had balance accounting for 10% and more of the total balance of short-term trade accounts payable – third parties are as below:

	31.12.2023 VND	31.12.2022 VND
Thuan Phu Construction Company Limited	<u>6,387,463,974</u>	<u>102,188,530,248</u>

**18 TRADE ACCOUNTS PAYABLE (continued)****(b) Long-term**

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	394,017,761,579	394,017,761,579	238,674,475,501	238,674,475,501
Related parties (Note 37(b))	91,162,199,172	91,162,199,172	146,697,610,964	146,697,610,964
	<u>485,179,960,751</u>	<u>485,179,960,751</u>	<u>385,372,086,465</u>	<u>385,372,086,465</u>

(\*) As at 31 December 2023 and 31 December 2022, details of suppliers who had balance accounting for 10% and more of the total balance of long-term trade accounts payable – third parties are as below:

	2023 VND	2022 VND
No.1 Viet Nguyen Construction Joint Stock Company	<u>55,716,185,639</u>	<u>-</u>

**19 ADVANCES FROM CUSTOMERS****(a) Short-term**

	2023 VND	2022 VND
Third parties (*)	2,696,434,362,413	1,159,048,482,912
Related parties (Note 37(b))	94,274,103,456	127,032,490,958
	<u>2,790,708,465,869</u>	<u>1,286,080,973,870</u>



**19 ADVANCES FROM CUSTOMERS (continued)****(a) Short-term (continued)**

(\*) As at 31 December 2023 and 31 December 2022, details of customers who had a balance accounting for 10% or more of the total balance of short-term advances from customers – third parties are as follows:

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Project Management Board 85	615,920,363,824	-
Tan Son Nhat International Airport - Branch of Airports Corporation of Vietnam - JSC	228,007,792,125	34,009,162,981
Airports Corporation of Vietnam - JSC	203,979,255,974	-
Consortium MC - HDEC - CC1	65,329,484,806	309,850,481,562
Daknong Construction Investment Project Management Board	143,681,499,000	204,238,469,000
Tropicana Nha Trang Company Limited	140,577,581,792	140,577,581,792
	<u>778,439,202,913</u>	<u>376,011,128,514</u>

**(b) Long-term**

As at 31 December 2023 and 31 December 2022, the balance of long-term advance from customers represents the amount the buyer has paid in advance to buy apartments at Hanh Phuc Project and Felix Home Project.

**20 ACCRUED EXPENSES****(a) Short-term**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Construction cost	767,950,835,642	317,421,088,112
Interest expense	10,092,909,455	45,856,328,372
Others	395,457,816	12,733,712,030
	<u>778,439,202,913</u>	<u>376,011,128,514</u>

**(b) Long-term**

This is an accrual expense related to an estimation of a financial obligation of the Hanh Phuc Project.

**21 UNEARNED REVENUE**

As at 31 December 2023 and 31 December 2022, the balances of short-term and long-term unearned revenue related to rental fee received in advance from tenants of Hanh Phuc Project, Felix Home Project and the Sailing Tower.

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22 OTHER PAYABLES

(a) Short-term

	2023 VND	2022 VND
Deposits	5,000,000,000	-
Compulsory insurance and union	2,784,618,579	2,505,341,039
Related parties (Note 37(b))	1,999,889,988	-
Dividend payables	160,476,500	175,387,700
Payables for shares transfer	-	114,750,000,000
Others	422,761,187	458,610,642
	<u>10,367,746,254</u>	<u>117,889,339,381</u>

(b) Long-term

	2023 VND	2022 VND
Investment Trust Agreement (*)	600,000,000,000	-
Related parties (Note 37(b))	505,326,758,532	506,157,358,532
Deposits	32,087,719,266	32,696,281,165
Others	30,356,489,938	30,356,489,938
	<u>1,167,770,967,736</u>	<u>569,210,129,635</u>

(\*) This is the payable related to the Investment Trust Agreement dated 20 December 2023 signed with Nam Hung Hung Thinh Service and Trading MTV Co., Ltd ("Nam Hung Hung Thinh"). The investment trust term are 5 years. The Head Office uses this trust amount to find and make investments, and distributes 90% of profits to Nam Hung Hung Thinh based on the year-end profits of each investment projects.

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23 BORROWINGS AND FINANCE LEASE LIABILITIES

(a) Short-term

		As at 1.1.2023 VND	Drawdowns VND	Repayments VND	Current portion of long-term borrowings and finance lease liabilities VND	Revaluation VND	As at 31.12.2023 VND
Joint Stock Commercial Bank for Investment and Development of Vietnam	(i)	586,813,105,300	1,255,306,815,598	(1,040,843,496,018)	-	-	801,276,424,880
Nam A Commercial Joint Stock Bank	(i)	-	594,090,539,928	(371,203,382)	-	-	593,719,336,546
Saigon-Hanoi Commercial Joint Stock Bank	(i)	420,474,870,986	848,664,734,815	(1,021,088,534,818)	-	-	248,051,070,983
Vietnam Joint Stock Commercial Bank for Industry and Trade	(i)	328,276,043,394	368,993,309,923	(476,515,519,173)	-	-	220,753,834,144
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Tay Sai Gon Branch	(i)	-	307,619,621,106	(228,590,351,448)	-	-	79,029,269,658
Tien Phong Commercial Joint Stock Bank - North Central Branch	(i)	-	75,568,162,909	-	-	-	75,568,162,909
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ben Thanh Branch	(i)	69,938,900,423	68,600,256,000	(138,539,156,423)	-	-	-
Tien Phong Commercial Joint Stock Bank - Ben Thanh Branch	(i)	44,991,663,782	-	(44,991,663,782)	-	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - UPAS	(i)	25,561,666,528	-	(25,561,666,528)	-	-	-
Hinokiya - Twgroup Company Limited	(ii)	56,005,939,726	-	(17,001,484,931)	-	-	39,004,454,795
<b>Current portion of long-term borrowings and finance lease liabilities</b>							
Vietnam Development Bank	(iii)	31,940,408,907	-	(32,370,161,878)	35,753,219,809	914,753,334	36,238,220,172
Finance Leasing Company Limited – Vietnam Joint Stock Commercial Bank for Industry and Trade	(iv)	-	-	-	5,701,800,006	-	5,701,800,006
BIDV - Sumi TRUST Leasing Co., Ltd	(v)	-	-	-	1,341,091,291	-	1,341,091,291
Vietcapital Commercial Joint Stock Bank	(vi)	-	-	-	339,283,000	-	339,283,000
		<u>1,564,002,599,046</u>	<u>3,518,843,440,279</u>	<u>(3,025,873,238,381)</u>	<u>43,135,394,106</u>	<u>914,753,334</u>	<u>2,101,022,948,384</u>

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22 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)

(b) Long-term

		As at 1.1.2023	Drawdowns	Repayments	Allocation of	Current	Revaluation	As at 31.12.2023
		VND	VND	VND	bond issuance	portion of	VND	VND
					fee	long-term		
					VND	borrowings		
						and finance		
						lease liabilities		
						VND		
Vietnam Development Bank	(iii)	1,293,461,376,785	-	-	-	(35,753,219,809)	37,125,128,409	1,294,833,285,385
Finance Leasing Company Limited – Vietnam								
Joint Stock Commercial Bank for Industry								
and Trade	(iv)	-	20,327,272,728	(4,119,798,808)	-	(5,701,800,006)	-	10,505,673,914
BIDV - Sumi TRUST Leasing Co., Ltd	(v)	-	3,545,580,000	(358,883,873)	-	(1,341,091,291)	-	1,845,604,836
Vietcapital Commercial Joint Stock Bank	(vi)	-	1,500,000,000	(142,856,000)	-	(339,283,000)	-	1,017,861,000
Bonds issuance through Nam A								
Commercial Joint Stock Bank	(vii)	2,650,000,000,000	-	(2,650,000,000,000)	-	-	-	-
Bond issuance fee		(10,500,639,268)	(21,350,000,000)	-	31,850,639,268	-	-	-
		<u>3,932,960,737,517</u>	<u>4,022,852,728</u>	<u>(2,654,621,538,681)</u>	<u>31,850,639,268</u>	<u>(43,135,394,106)</u>	<u>37,125,128,409</u>	<u>1,308,202,425,135</u>

- (i) These are short-term loans at commercial banks, with terms from 6 months to 11 months, bearing interest at the rates from 5%/year to 9.5%/year. The loans are used to supplement for working capital. The loans are secured by term deposits (Note 3, Note 4(a)), motor vehicles (Note 13), future claims arising from the Head Office's projects, Shares of the Head Office in the member company, Shares of previous member companies owned by third parties and shares of the Head Office owned by individuals.
- (ii) This is a short-term loan from Hinokiya Twgroup Company Limited for a term of 11 months, bearing interest at the rate of 7%/year and has no collateral. The loan is to finance the Hanh Phuc Residential Project. As at the date of these financial statements of the Head Office, the investment cooperation agreement has been liquidated. The Head Office is repaying this loan to Hinokiya Twgroup Company Limited.

**23 BORROWINGS AND FINANCE LEASE LIABILITIES (continued)**

- (iii) This is a loan authorized by the Ministry of Finance to Vietnam Development Bank to lend to the Company under the Loan Agreements No. 3240 – VIE and 3242 – VIE (SF) for the purpose of financing projects and construction works of the Company and other units. The loan has a loan term of 25 years and bears interest at the rate of 6 months LIBOR in USD plus an interest margin of 0.6%/year, minus a deduction of 0.1%/year and an insurance premium of 0.2%/year. From the debt repayment period of 1 December 2022, the Vietnam Development Bank applied the SOFR interest rate to replace the LIBOR interest rate based on Official Dispatch No. 326/NHPT-VNN dated 18 March 2022, according to the Bank's Notice Vietnam Development Bank and Ministry of Finance. The loan is secured by term deposit contracts of the Company, machinery and equipment of No.1 Viet Hung Construction Joint Stock Company, land use rights and assets attached to land of Chuong Duong Joint Stock Company, and the right to collect the payback fee of the Dong Nai bridge BOT project.
- (iv) This is a finance lease liability with a term of 60 months, bearing interest at the rate of 10.5%/year for the first 3 months. The interest rate of this finance lease liability is adjusted periodically every 3 months from the 4th month onwards with an interest rate equal to the ceiling deposit rate of VND 12-month term for individual customers of Vietnam Joint Stock Commercial Bank for Industry and Trade at the time of adjustment plus an interest margin of 3%/year.
- (v) This is a finance lease liability with a term of 60 months, bearing interest at the rate of 9.5%/year for the first 3 months. The interest rate of this finance lease liability is adjusted periodically every 3 months from the 4th month onwards with an interest rate equal to the deposit interest rate of VND 12-month term for individual customers of Joint Stock Commercial Bank for Investment and Development of Vietnam at the time of adjustment plus an interest margin of 3%/year.
- (vi) This is a loan with a term of 84 months, bearing interest at the rate of 10.3%/year for the first 5 months. The interest rate is adjusted periodically every 3 months from the 6th month onwards with the interest rate equal to the base interest rate of Viet Capital Commercial Joint Stock Bank at the time of adjustment plus an interest rate range of 4%/year. This loan is used to finance the purchase of fixed assets – motor vehicles during the period, the underlying assets is used to secure the loan (Note 13).
- (vii) This is non-convertible bond with a total issuance of VND2,650 billion, equivalent to 26,500 bonds, for the purpose of financing investment projects, business cooperation and investment with partners to develop real estate projects, construction works. The bond bears interest at the rate of 10%/year and interests are paid every six (6) months and due in 2024. Organization unit to receive and manage collateral assets at Nam A Commercial Joint Stock Bank - Ham Nghi Branch. The bond is secured by land use rights and attached assets on the land of Sailing Tower. As at 31 December 2023, the Head Office has completed repayment to buy back all outstanding bond.

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24 OWNERS' CAPITAL

(a) Number of shares

	2023 Ordinary shares	2022 Ordinary shares
Number of shares registered	358.507.825	328,934,469
Number of shares issued	358.507.825	328,934,469
Number of shares repurchased	(337,800)	(337,800)
Number of existing shares in circulation	358.170.025	328,596,669

(b) Details of owners' shareholding

	2023		2022	
	VND	%	VND	%
Mr. Nguyen Van Huan	395,201,510,000	11.02	362,570,200,000	11.02
Other shareholders	3,189,876,740,000	88.98	2,926,774,490,000	88.98
Number of shares	3,585,078,250,000	100.00	3,289,344,690,000	100.00

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2022	114,386,474	1,143,864,740,000
New shares issued	205,287,613	2,052,876,130,000
Stock dividend declared	9,260,382	92,603,820,000
As at 31 December 2022	328,934,469	3,289,344,690,000
Stock dividend declared	29,573,356	295,733,560,000
As at 31 December 2023	358,507,825	3,585,078,250,000

Par value per share: VND10,000.

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development funds VND	Undistributed earnings VND	Total VND
As at 1 January 2022	1,143,864,740,000	110,596,208,588	(4,796,760,000)	8,909,815,816	301,020,155,960	<b>1,559,594,160,364</b>
Net profit for the year	-	-	-	-	214,388,418,294	<b>214,388,418,294</b>
Capital increased during the year	2,052,876,130,000	-	-	-	-	<b>2,052,876,130,000</b>
Stock dividend declared	92,603,820,000	-	-	-	(92,603,820,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	(1,470,000,000)	<b>(1,470,000,000)</b>
Share issuance cost	-	(11,268,356,780)	-	-	-	<b>(11,268,356,780)</b>
As at 31 December 2022	<u>3,289,344,690,000</u>	<u>99,327,851,808</u>	<u>(4,796,760,000)</u>	<u>8,909,815,816</u>	<u>421,334,754,254</u>	<b><u>3,814,120,351,878</u></b>
Net profit for the year	-	-	-	-	228,783,706,870	<b>228,783,706,870</b>
Stock dividend declared	295,733,560,000	-	-	-	(295,733,560,000)	-
Appropriation to compensation of the Board of Directors	-	-	-	-	(1,078,000,000)	<b>(1,078,000,000)</b>
Foreign exchange difference from conversion of financial statements	-	-	-	-	-	-
As at 31 December 2023	<u><u>3,585,078,250,000</u></u>	<u><u>99,327,851,808</u></u>	<u><u>(4,796,760,000)</u></u>	<u><u>8,909,815,816</u></u>	<u><u>353,306,901,124</u></u>	<b><u><u>4,041,826,058,748</u></u></b>

According to the Resolution of the Annual General Meeting No. 85/NQ-DHDCD dated 12 May 2023, the Annual General Meeting approved the plan to pay dividends as below:

- In form of shares with a distribution rate of 9%. The total of share expected to be issued is 29,573,700 shares, equivalent to VND295,737,000,000. As at 31 December 2023, the Company has completed the dividend payment in total actual issued shares was 29,573,356 shares, equivalent to VND295,733,560,000; and
- Appropriation to compensation of the Board of Directors in 2022 with the amount of VND1,708,000,000.

According to the Resolution of the Annual General Meeting above, the Annual General Meeting approved the plan to sell 337,800 treasury shares with book value of VND4,796,760,000 for financing production and business activities. As at the date of financial statements of the Head Office, the Company is in the process of implementing the plan.

**26 OFF BALANCE SHEET ITEMS**

**(a) Foreign currencies**

As at 31 December 2023, included in cash and cash equivalent was balance held in foreign currencies of USD56,401.53 (as at 31 December 2022: USD77,514.94).

**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 38.

**27 NET REVENUE FROM SALES OF GOODS AND RENDERING SERVICES**

	<b>2023 VND</b>	<b>2022 VND</b>
<b>Revenue from sales of goods and rendering of services</b>		
Revenue from constructions activities	4,085,938,029,698	3,644,922,163,208
Revenue from sale of goods and materials	1,252,469,748,059	1,249,311,770,759
Revenue from rendering of services	161,767,966,699	159,473,361,152
Revenue from real estate sold	1,226,500,000	128,387,501,703
	<u>5,501,402,244,456</u>	<u>5,182,094,796,822</u>
<b>Sales deductions</b>		
Trade discounts	(2,002,171,100)	(27,618,533,028)
	<u>(2,002,171,100)</u>	<u>(27,618,533,028)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from constructions activities	4,085,938,029,698	3,644,922,163,208
Net revenue from sale of goods and materials	1,250,467,576,959	1,221,693,237,731
Net revenue from rendering of services	161,767,966,699	159,473,361,152
Net revenue from real estate sold	1,226,500,000	128,387,501,703
	<u>5,499,400,073,356</u>	<u>5,154,476,263,794</u>
Accumulated revenue of constructions contracts of ongoing projects recorded up to the date of the financial statements of the Head Office	<u>9,314,295,238,053</u>	<u>12,218,676,357,607</u>



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**28 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Cost of construction activities	3,933,145,116,723	3,454,720,948,224
Cost of goods and materials sold	1,236,618,551,936	1,179,089,970,653
Cost of services rendered	65,887,193,022	61,236,250,140
Cost of real estates sold	1,226,500,000	125,815,207,901
	<u>5,236,877,361,681</u>	<u>4,820,862,376,918</u>

**29 FINANCIAL INCOME**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Income from transferring investments	686,246,303,467	63,088,692,470
Interest income from lendings and deposits	149,926,288,111	105,864,679,684
Interest for late payment	17,432,546,066	2,784,266,550
Dividends and profits shared	496,734,614	154,716,772,900
Realised foreign exchange gains	-	120,019,780
	<u>854,101,872,258</u>	<u>326,574,431,384</u>

**30 FINANCIAL EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>VND</b>	<b>VND</b>
Interest expense	469,774,276,831	335,274,026,987
Bond issuance fee allocation	6,403,105,020	4,598,819,978
Reversal of provision for investments	(25,549,320,639)	-
Net loss from foreign currency translation at year-end	36,118,611,504	43,969,067,515
Others	1,151,584,358	406,803,437
	<u>487,898,257,074</u>	<u>384,248,717,917</u>

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31 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	108,971,665,713	107,268,787,893
Provision/(reversal of provision) for doubtful debts	155,836,402,949	(107,540,170,632)
Outside service expenses	33,590,292,127	44,612,677,119
Tool and equipment	3,505,780,827	3,255,533,698
Depreciation and amortisation	1,338,348,006	2,877,913,959
Tax and other fees	816,591,237	1,176,737,018
Others	9,405,352,106	28,374,943,287
	<u>313,464,432,965</u>	<u>80,026,422,342</u>

32 NET OTHER INCOME AND OTHER EXPENSES

	2023 VND	2022 VND
<b>Other income</b>		
Penalty income from BCC	-	83,946,076,244
Gains on disposal of fixed assets	-	727,272,727
Others	1,806,469,041	531,928,645
	<u>1,806,469,041</u>	<u>85,205,277,616</u>
<b>Other expenses</b>		
Projects cancellation	(8,556,865,307)	-
Fines	(1,381,339,849)	(1,680,496,000)
Others	(1,504,022,640)	(4,091,950,679)
	<u>(11,442,227,796)</u>	<u>(5,772,446,679)</u>
<b>Net other (expenses)/income</b>	<u>(9,635,758,755)</u>	<u>79,432,830,937</u>

**33 CORPORATE INCOME TAX (“CIT”)**

The CIT on the Head Office’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	<b>2023 VND</b>	<b>2022 VND</b>
Net accounting profit before tax	304,516,026,774	273,219,124,766
Net accounting (loss)/profit before tax of dependent accounting branches	(2,753,892,211)	1,125,608,585
Tax calculated at a rate of 20%	60,352,426,913	54,868,946,670
Effect of:		
Income not subject to tax	(99,346,923)	(13,432,915,360)
Expenses not deductible for tax purposes	15,479,239,914	17,394,675,162
CIT charge (*)	<u>75,732,319,904</u>	<u>58,830,706,472</u>
Charged to Head Office income statement:		
CIT – current	75,732,319,904	58,830,706,472
CIT – deferred	-	-
	<u>75,732,319,904</u>	<u>58,830,706,472</u>

(\*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

**34 COSTS OF OPERATION BY FACTOR**

Costs of operation by factor represent all costs incurred during the period from the Head Office’s operating activities, excluding cost of merchandise for trading activities. The details are as follows:

	<b>2023 VND</b>	<b>2022 VND</b>
Subcontracts and outsource service expenses	3,463,497,232,104	3,120,651,202,882
Raw materials, tools and supplies	617,086,507,570	65,829,900,615
Staff costs	240,246,221,685	220,028,487,353
Provision/(reversal of provision) for doubtful debts	154,934,951,923	(107,540,170,632)
Depreciation and amortisation	31,992,887,658	29,748,476,128
Others	50,309,662,030	80,441,451,851
	<u>4,558,067,462,970</u>	<u>3,409,159,348,197</u>



## 36 SEGMENT REPORTING

The Board of Management of the Company determines that the decisions of the Head Office are based primarily on the types of products and services provided by the Head Office. As a result, the primary segment reporting of the Head Office is presented in respect of the Head Office's business segments.

Segment reporting are prepared for corporate governance purposes. The Head Office has not been able to track the assets and liabilities of the segments because a substantial portion of the Head Office's assets and capital expenditures are shared across segments. The Head Office tracks revenue, expenses, and business results of each segment are as follows:

	Year ended 31 December 2023				
	Construction activities VND	Sale of goods and materials VND	Rendering of services VND	Trading of real estates VND	Total VND
Net revenue	4,085,938,029,698	1,250,467,576,959	161,767,966,699	1,226,500,000	5,499,400,073,356
Cost of sales	(3,933,145,116,723)	(1,236,618,551,936)	(65,887,193,022)	(1,226,500,000)	(5,236,877,361,681)
Gross profit	<u>152,792,912,975</u>	<u>13,849,025,023</u>	<u>95,880,773,677</u>	<u>-</u>	<u>262,522,711,675</u>
	Year ended 31 December 2022				
	Construction activities VND	Sale of goods and materials VND	Rendering of services VND	Trading of real estates VND	Total VND
Net revenue	3,644,922,163,208	1,221,693,237,731	159,473,361,152	128,387,501,703	5,154,476,263,794
Cost of sales	(3,454,720,948,224)	(1,179,089,970,653)	(61,236,250,140)	(125,815,207,901)	(4,820,862,376,918)
Gross profit	<u>190,201,214,984</u>	<u>42,603,267,078</u>	<u>98,237,111,012</u>	<u>2,572,293,802</u>	<u>333,613,886,876</u>

Segment information based on the geographical location:

The Head Office operates mainly in the territory of Vietnam. Therefore, the Head Office does not present segment reports by geographical area.

**37 RELATED PARTY DISCLOSURES**

During the period, the Head Office had major transactions and balances with subsidiaries, associates and other investee companies. Details of these companies are presented at Note 1 and Note 4(b).

**(a) Related party transactions**

During the period, the primary transactions with related parties incurred are:

	2023 VND	2022 VND
<b>(i) Sales of construction activities</b>		
Hai Phong Coast Road Investment Company Limited	377,939,212,265	551,771,674,654
Cam Lo - Tuy Loan BT Investment Company Limited	1,185,280,123	50,096,455,469
No.1 Viet Quang Construction Joint Stock Company	850,163,853	420,466,331
No.1 Viet Hung Construction Joint Stock Company	460,334,246	154,221,900
No.1 Viet Nguyen Construction Joint Stock Company	-	2,316,562,299
Mekong No.1 Construction Investment Joint Stock Company	-	124,438,612
	<u>380,434,990,487</u>	<u>604,883,819,265</u>
<b>(ii) Sales of goods and materials</b>		
No.1 Viet Quang Construction Joint Stock Company	159,774,559,582	15,853,258,234
Vina-PSMC Precast Concrete Company Limited	46,410,496,738	2,726,300,916
No.1 Viet Nguyen Construction Joint Stock Company	8,245,739,159	33,613,340,811
No.1 Viet Hung Construction Joint Stock Company	6,710,978,190	686,317,350
CC1 Trading Services Joint Stock Company	360,240,000	-
Mekong No.1 Construction Investment Joint Stock Company	-	203,739,466,795
Branch of Construction Corporation No 1 Joint Stock Company	-	253,050,000
	<u>221,502,013,669</u>	<u>256,871,734,106</u>
<b>(iii) Revenue from rendering of services</b>		
No.1 Viet Hung Construction Joint Stock Company	<u>3,895,424,165</u>	<u>888,889</u>

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37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
<b>(iv) Purchase of goods and services in the form of sub-contracts</b>		
No.1 Viet Quang Construction Joint Stock Company	421,576,966,242	276,436,206,463
CC1 Trading Services Joint Stock Company	300,231,694,579	-
No.1 Viet Hung Construction Joint Stock Company Materials and Agricultural Product Number 1 Joint Stock Company	158,788,161,002	229,391,252,523
3H Building Materials Joint Stock Company	50,389,083,950	-
Branch of Construction Corporation No 1 Joint Stock Company - Dong Thap Province	19,551,218,500	-
Branch of Construction Corporation No 1 Joint Stock Company - Phu Yen Province	18,701,923,680	-
No.1 Viet Nguyen Construction Joint Stock Company	13,693,687,000	-
Branch of Construction Corporation No 1 Joint Stock Company - Central	9,448,027,846	228,725,074,549
Branch of Construction Corporation No 1 Joint Stock Company	3,955,586,051	22,649,757,499
Mekong No.1 Construction Investment Joint Stock Company	1,222,396,303	7,498,212,303
Cuu Long Construction and Trading House Joint Stock Company	-	162,263,661,670
Chuong Duong Joint Stock Company	-	28,396,686,731
	-	8,438,385,982
	<u>997,558,745,153</u>	<u>963,799,237,720</u>
<b>(v) Other purchases</b>		
No.1 Viet Hung Construction Joint Stock Company	24,679,597	4,815,716,041
<b>(vi) Sale deduction</b>		
Mekong No.1 Construction Investment Joint Stock Company	-	27,613,365,469
<b>(vii) Interest and management fee form lendings</b>		
Hai Phong Coast Road Investment Company Limited	55,392,712,000	21,148,902,000
No.1 Viet Hung Construction Joint Stock Company	6,307,991,328	838,808,391
Chuong Duong Joint Stock Company	3,110,442,851	1,502,379,617
	<u>64,811,146,179</u>	<u>23,490,090,008</u>

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37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
<b>(viii) Dividend received</b>		
No.1 Viet Quang Construction Joint Stock Company	496,734,614	-
Dak RtiH Hydropower Joint Stock Company (former associate)	-	60,104,490,000
Mekong No.1 Construction Investment Joint Stock Company	-	6,885,000,000
Cuu Long Construction and Trading House Joint Stock Company (former associate)	-	175,086,800
	<u>496,734,614</u>	<u>67,164,576,800</u>
<b>(ix) Interest from subcontractor</b>		
No.1 Viet Hung Construction Joint Stock Company	1,045,051,000	9,547,621,000
Vina-PSMC Precast Concrete Company Limited	32,877,000	104,136,000
Branch of Construction Corporation No 1 Joint Stock Company	21,244,000	-
	<u>1,099,172,000</u>	<u>9,651,757,000</u>



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37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

(x) Compensation of key management

		2023 VND	2022 VND
	<b>Relationship</b>		
Mr. Nguyen Van Huan	Chairman of the Board of Directors	-	2,091,109,000
Mr. Phan Van Chinh	Vice Chairman of the Board of Directors cum Member of the Audit Committee	1,110,912,506	1,066,213,636
Mr. Le Bao Anh	Vice Chairman of the Board of Directors cum General Director	2,400,483,329	1,414,430,304
Mr. Nguyen Thien Tam	Vice Chairman of the Board of Directors	825,956,070	-
Mr. Le Huu Viet Duc	Former Vice Chairman of the Board of Directors	-	2,362,897,265
Mr. Nguyen Duc Dung	Former Member of the Board of Directors	-	454,917,000
Mr. Nguyen Van Binh	Former Member of the Board of Directors	-	1,102,915,455
Mr. Phan Van Vu	Former Chief Supervisor	-	451,494,615
Mrs. Nguyen Thi Hong Phuong	Former Member of the Board of Supervisors	-	288,206,000
Mr. Bui Tan Thao	Former Member of the Board of Supervisors	-	273,648,462
Mr. Nguyen Viet Hung	Deputy General Director	2,497,373,214	2,165,378,958
Mr. Nguyen Van Ngoc	Deputy General Director	2,139,296,445	1,428,539,104
Mr. Dinh Van Hung	Deputy General Director	1,646,144,445	920,920,164
Mr. La Thai Hiep	Deputy General Director	1,341,110,360	-
Mr. Pham Canh Dong	Deputy General Director	1,218,251,797	-
Mr. Tran Minh Doanh	Deputy General Director	120,150,000	-
Mr. Ha Van Han	Former Deputy General Director	2,039,423,180	160,700,000
Mr. Hoang Trung Thanh	Former Deputy General Director	2,031,676,270	1,757,975,456
Mr. Tran Huu Phong	Former Deputy General Director	874,836,364	752,876,457
Mr. Vu Gia Binh	Former Deputy General Director	186,704,545	1,874,310,841
Mr. Pham Van Ky Trung	Former Deputy General Director	-	1,738,604,547
Mr. Kim WonJin	Former Deputy General Director	-	960,361,538
Ms. Tran Thi Ngoc Thuy	Chief Accountant	652,346,599	-
Mr. Nguyen Dinh Hieu	Former Chief Accountant/person in charge of accounting	258,153,333	157,603,941
Mrs. Nguyen Thi Ngoc Dung	Former Chief Accountant	-	556,850,000
		<u>19,342,818,457</u>	<u>21,979,952,743</u>

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37 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2023 VND	2022 VND
<b>Short-term trade accounts receivable (Note 5)</b>		
Cam Lo - Tuy Loan BT Investment Company Limited	27,634,422,327	27,530,915,327
Vina-PSMC Precast Concrete Company Limited	12,237,079,827	7,518,626
No.1 Viet Quang Construction Joint Stock Company	9,254,264,709	11,717,415,567
Mien Trung Construction and Manufacture Building Materials Joint Stock Company	4,004,737,951	4,004,737,951
CC1 Trading Services Joint Stock Company	389,059,200	-
Mekong No.1 Construction Investment Joint Stock Company	-	32,497,627,875
No.1 Viet Nguyen Construction Joint Stock Company	-	6,635,521,605
No.1 Viet Hung Construction Joint Stock Company	-	832,070,110
	<u>53,519,564,014</u>	<u>83,225,807,061</u>
<b>Short-term prepayments to suppliers (Note 6)</b>		
No.1 Viet Hung Construction Joint Stock Company	574,032,028,403	853,578,980,724
Mien Trung Construction and Manufacture Building Materials Joint Stock Company	66,680,543,502	66,680,543,502
No.1 Viet Tong Construction Joint Stock Company	39,143,753,135	39,143,753,135
CC1 Trading Services Joint Stock Company	35,756,815,858	-
Chuong Duong Joint Stock Company	2,969,558,064	283,654,800
Hai Phong Coast Road Investment Company Limited	953,128,829	4,389,880,329
Nhan Phuc Duc Investment Joint Stock Company	261,902,521	185,943,521
No.1 Viet Quang Construction Joint Stock Company	-	173,891,937,834
	<u>719,797,730,312</u>	<u>1,138,154,693,845</u>
<b>Short-term intercompany receivables</b>		
Branch of Construction Corporation No 1 Joint Stock Company - Dong Thap Province	8,194,847,475	-
Branch of Construction Corporation No 1 Joint Stock Company - Phu Yen Province	9,174,527,814	-
Branch of Construction Corporation No 1 Joint Stock Company - Central	4,755,742,159	4,283,780,127
Branch of Construction Corporation No 1 Joint Stock Company - Cambodia	281,500,000	-
	<u>22,406,617,448</u>	<u>4,283,780,127</u>
<b>Capital provided to dependent units</b>		
Branch of Construction Corporation No 1 Joint Stock Company - Cambodia	699,600,000	717,000,000

## 37 RELATED PARTY DISCLOSURES (continued)

## (b) Year end balances with related parties (continued)

	2023 VND	2022 VND
<b>Short-term lendings (Note 7(a))</b>		
No.1 Viet Hung Construction Joint Stock Company	19,188,891,670	58,055,496,383
Hai Phong Coast Road Investment Company Limited	6,500,000,000	6,500,000,000
Chuong Duong Joint Stock Company	6,613,894,973	6,427,015,877
	<u>32,302,786,643</u>	<u>70,982,512,260</u>
<b>Long-term lendings (Note 7(b))</b>		
Hai Phong Coast Road Investment Company Limited	646,200,000,000	374,500,000,000
Chuong Duong Joint Stock Company	33,069,474,867	38,562,095,025
No.1 Viet Hung Construction Joint Stock Company	14,139,967,545	16,488,522,114
	<u>693,409,442,412</u>	<u>429,550,617,139</u>
(*) The loan to Hai Phong Coast Road Investment Company Limited is for the purpose of performing economic contracts related to the investment project to build a coastal road route through Hai Phong city and 09 km through Thai Binh province under the form of a public-private partnership contract, with term of one hundred and eighty (180) months from the first day of disbursement, earns interest at the rate of 10%/year and no collateral.		
<b>Other short-term receivables (Note 8(a))</b>		
Dong Nai Bridge Investment and Construction Joint Stock Company	84,581,690,255	84,455,257,255
Hai Phong Coast Road Investment Company Limited	76,541,614,000	21,148,902,000
No.1 Viet Hung Construction Joint Stock Company	14,320,492,000	-
Vina-PSMC Precast Concrete Company Limited	3,082,560,421	3,082,560,421
No.1 Viet Quang Construction Joint Stock Company	496,734,614	-
No.1 Viet Tong Construction Joint Stock Company	466,667,000	466,667,000
Mekong No.1 Construction Investment Joint Stock Company	-	1,652,519,130
No.1 Viet Nguyen Construction Joint Stock Company	-	330,546,924
	<u>179,489,758,290</u>	<u>111,136,452,730</u>
<b>Other long-term receivables (Note 8(b))</b>		
Dong Nai Bridge Investment and Construction Joint Stock Company	419,833,767,304	419,833,767,304
No.1 Viet Hung Construction Joint Stock Company	2,352,159,064	893,517,080
Mekong No.1 Construction Investment Joint Stock Company	-	5,425,320,264
	<u>422,185,926,368</u>	<u>426,152,604,648</u>

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37 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	2023 VND	2022 VND
<b>Short-term trade accounts payable (Note 18(a))</b>		
No.1 Viet Quang Construction Joint Stock Company	54,188,208,448	-
Mekong No.1 Construction Investment Joint Stock Company	-	42,550,306,518
No.1 Viet Nguyen Construction Joint Stock Company	-	21,380,532,378
	<u>54,188,208,448</u>	<u>63,930,838,896</u>
<b>Long-term trade accounts payables (Note 18(b))</b>		
No.1 Viet Quang Construction Joint Stock Company	65,874,797,986	56,848,013,702
No.1 Viet Hung Construction Joint Stock Company	18,433,609,434	12,343,482,626
No.1 Viet Tong Construction Joint Stock Company	3,790,733,687	3,790,733,687
Chuong Duong Joint Stock Company	3,063,058,065	3,063,058,065
No.1 Viet Nguyen Construction Joint Stock Company	-	60,390,336,402
Mekong No.1 Construction Investment Joint Stock Company	-	10,261,986,482
	<u>91,162,199,172</u>	<u>146,697,610,964</u>
<b>Short-term advances from customers (Note 19(a))</b>		
Hai Phong Coast Road Investment Company Limited	53,927,912,683	127,032,490,958
No.1 Viet Hung Construction Joint Stock Company	39,346,190,773	-
3H Building Materials Joint Stock Company	1,000,000,000	-
	<u>94,274,103,456</u>	<u>127,032,490,958</u>
<b>Short-term intercompany payables</b>		
Branch of Construction Corporation No 1 Joint Stock Company - Dong Thap Province	17,100,815,775	-
Branch of Construction Corporation No 1 Joint Stock Company - Phu Yen Province	15,063,055,700	-
Branch of Construction Corporation No 1 Joint Stock Company	492,529,657	1,261,161,165
	<u>32,656,401,132</u>	<u>1,261,161,165</u>
<b>Long-term intercompany payables</b>		
Branch of Construction Corporation No 1 Joint Stock Company - Central	32,837,752,119	32,771,658,594
Branch of Construction Corporation No 1 Joint Stock Company	4,456,502,272	4,389,270,475
	<u>37,294,254,391</u>	<u>37,160,929,069</u>

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37 RELATED PARTY DISCLOSURES (continued)

(a) Year end balances with related parties (continued)

	2023 VND	2022 VND
<b>Other short-term payables (Note 22(a))</b>		
CC1 Trading Services Joint Stock Company	1,999,889,988	-
<b>Other long-term payables (Note 22(b))</b>		
Dong Nai Bridge Investment and Construction Joint Stock Company	505,326,758,532	506,157,358,532

38 OPERATING LEASE COMMITMENTS



The Head Office signed operating lease contracts. Accordingly, the future minimum lease receipts under non-cancellable operating leases are as follows:

	2023 VND	2022 VND
Within one year	193,442,463,764	119,840,574,840
Between one and five years	229,507,821,977	197,417,771,798
Over five years	333,611,560,528	352,031,475,715
Total minimum receipts	756,561,846,269	669,289,822,353

The financial statements of the Head Office were approved by the Board of Management on 28 March 2024.





Vo Thi Ngoc Thanh  
Preparer

Tran Thi Ngoc Thuy  
Chief Accountant



Le Bao Anh  
General Director