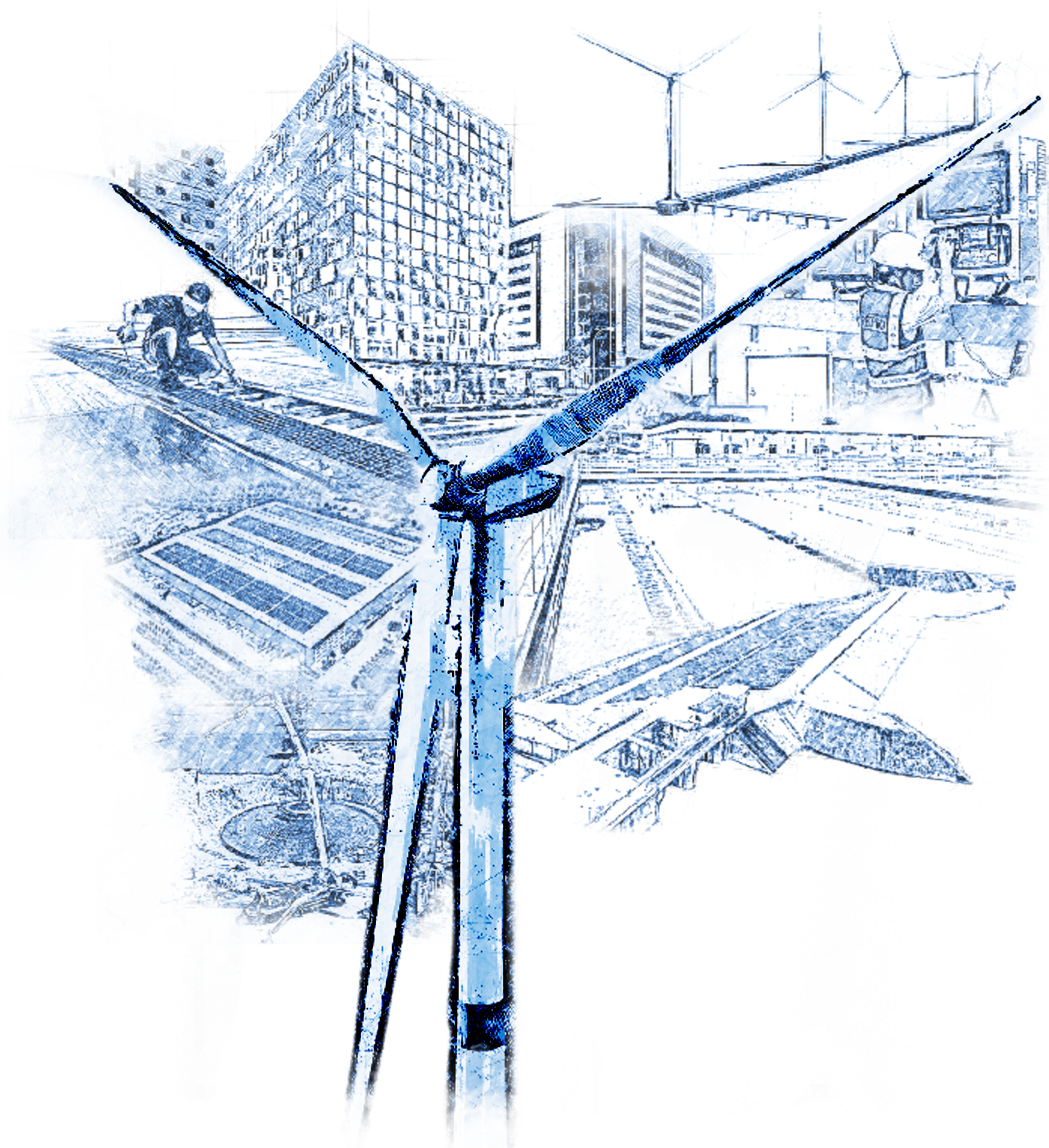




2021

Annual Report
Báo Cáo Thường Niên





2021

Annual Report

Báo Cáo Thường Niên

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ABBREVIATIONS

REE	Refrigeration Electrical Engineering Corporation	bn.	billion
REE M&E	R.E.E Mechanical & Electrical Engineering JSC	BOD	Board of Directors
Reetech	R.E.E Electric Appliances JSC or its products	Co., Ltd.	Company Limited
RMC	RMC Trade & Services Company Limited	HCMC	Ho Chi Minh City
REEPRO	REEPRO Service and Manufacturing Company Limited	JSC	Joint Stock Company
REE Property	R.E.E Real Estate Company Limited	Pte. Ltd.	Private Limited
REE Land	REE Land Company Limited	M&E	Mechanical & Electrical Engineering
SaigonRes	Saigon Real Estate JSC	sqm	square meter
REE Energy	REE Energy Company Limited	cbm	cubic meter
VSH	Vinh Son - Song Hinh Hydropower JSC	ROE	Return on Equity
REESE	REE Solar Energy JSC	MW	Megawatt
REE Water	REE Water Company Limited	kWh	Kilowatt-hour
HFIC	HCMC Finance and Investment state-owned Company	MWp	Megawatt peak
VIID	Vietnam Property and Infrastructure JSC	ROA	Return on Assets
		ESG	Environmental - Social - Governance

ICONS

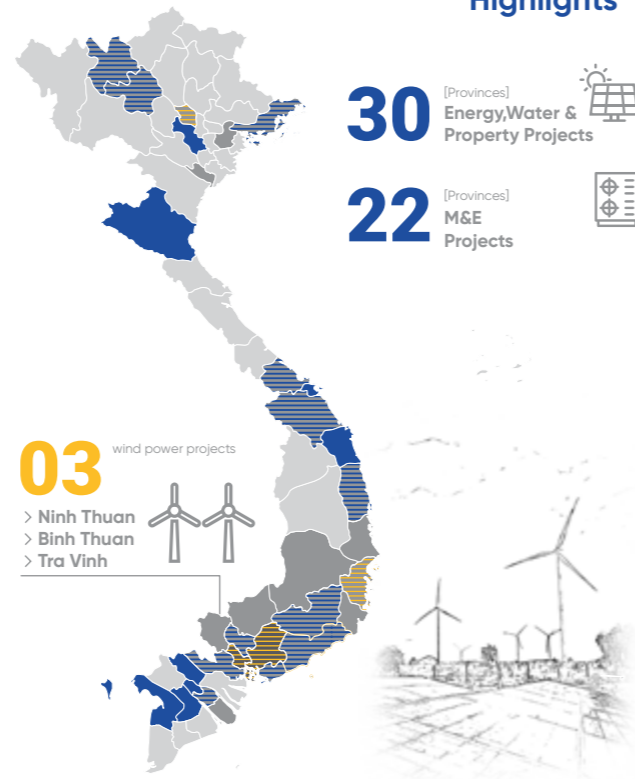
M&E service segment	Energy segment	Water segment
Properties segment	Hydropower	Water treatment
	Coal thermal power	Water distribution
	Wind power	
	Solar power	
	Electricity distribution	

REE BY NUMBERS

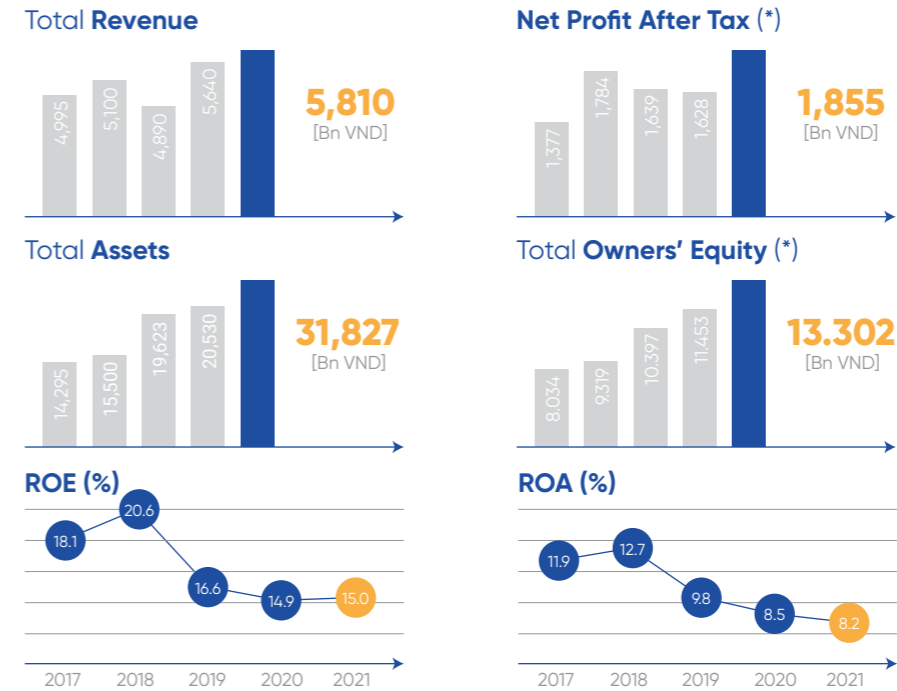
The Group



Highlights



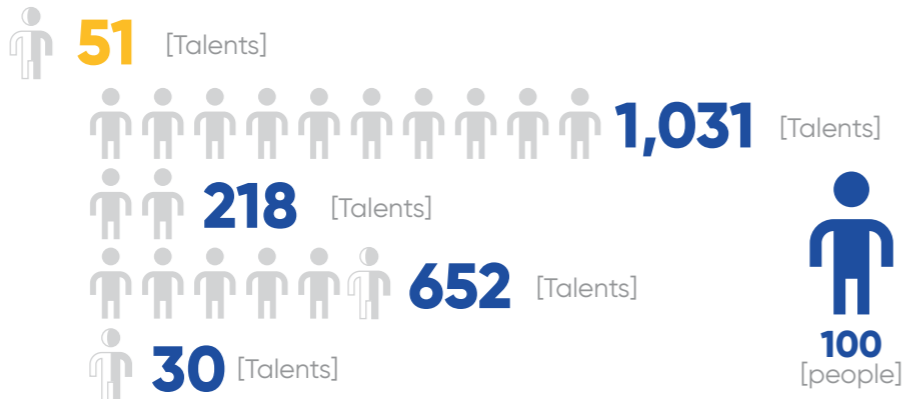
Financial Performance



Headcounts



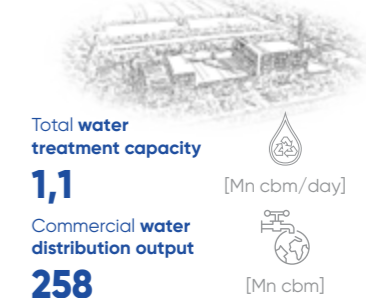
Parent Company



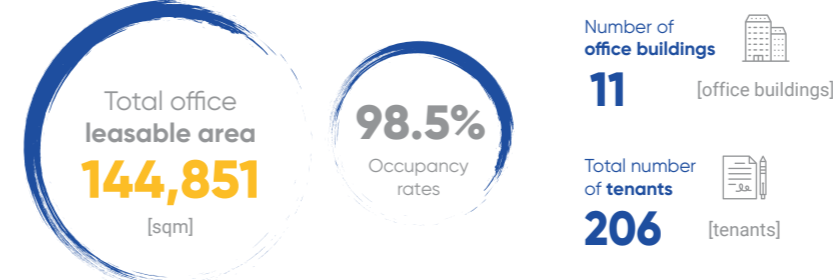
M&E Services



Water



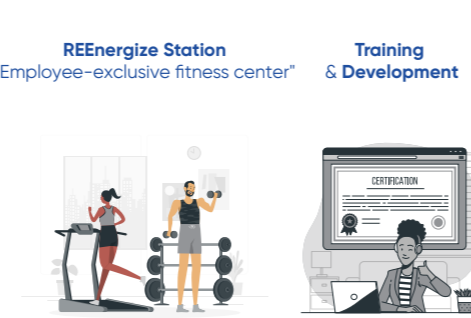
Properties



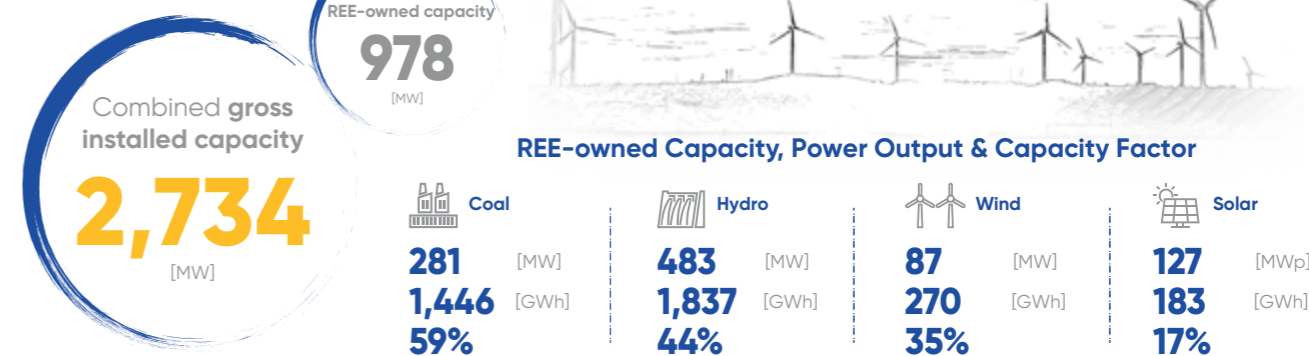
Corporate Social Responsibility



Talent Development



Energy



(*) excluding Minority Interests

MESSAGE FROM OUR CHAIRWOMAN

”

In 2021, REE Group achieved a consolidated revenue of VND5,810 billion and a net profit after tax of VND1,855 billion, up by 3% and 13.9% over 2020 respectively, primarily thanks to sterling results of REE Energy and the stable performance of REE Water.

Dear our fellow Shareholders and Investors,

In 2021, despite operating under an extended COVID-19 lockdown period, REE Group achieved a consolidated revenue of VND5,810 billion and a net profit after tax (NPAT) of VND1,855 billion, up by 3% and 13.9% over 2020 respectively.

REE Energy delivered outstanding results due to favorable hydrographic conditions, the full year operation of the 86 MWp rooftop solar portfolio in 2021 as well as the stable performance of REE Water. Office Leasing business continued to maintain a high occupancy level despite changes in the leasing practices of our tenants brought by the fourth wave of COVID-19. The positive performances of REE's cash-generating infrastructure and office leasing businesses made up for the shortfall in the results of REE M&E and Reetech group which saw construction project postponements and weak consumer sentiments during the lockdown period. Meanwhile, REE Land's new real estate projects have yet to report initial earnings as they are still in various early stages.

REE Group maintained a strong financial position with a total owners' equity of VND13,302 billion, up by 16.1% over the previous year. Consolidated net debts were VND9,230 billion at the end of 2021, equivalent to a net gearing of 56.4% - up by 26.8% - compared with a net gearing of 29.6% in 2020 due to new bank loan disbursements for Tra Vinh V1-3 wind farm developed by REE Corporation, for Loi Hai 2 and Phu Lac 2 wind farms by Thuan Binh Wind Power JSC and the consolidation of Vinh Son - Song Hinh Hydropower JSC's debts as the latter became a REE Energy's subsidiary in 2Q2021.

Key corporate developments in 2021 include:

› In 2020, the Group underwent the restructuring that resulted in the setup of sector holding companies being REE Energy Company Limited (REE Energy), REE Water Company Limited (REE Water) and REE Land Company Limited (REE Land). In 2021, the sector holding companies built and put in place new management structures, took over the asset portfolios and continued carrying out new business developments.

- › REE Energy increased its stake in Vinh Son - Song Hinh Hydropower JSC (VSH) to 50.5% from 49.5%, which then allowed for the financial consolidation of VSH by the Group from this year. Acquiring a controlling interest in VSH will facilitate our active participation in the making of VSH's strategic decisions.
- › Thuong Kon Tum Hydropower Plant began commercial operation in April 2021 after 12 years under construction and generated 976 million kWh in electricity output in 2021.
- › Three (03) wind power projects with a total installed capacity of 102 MW - Tra Vinh V1-3 (48 MW - in Tra Vinh), Loi Hai 2 (28.9 MW - in Ninh Thuan) and Phu Lac 2 (26 MW - in Binh Thuan) - started their commercial operations in October 2021. Applicable feed-in tariffs are US 9.8 Cents/kWh (for Tra Vinh V1-3) and US 8.5 Cents/kWh (for Loi Hai 2 and Phu Lac 2).
- › Tra Vinh V1-3 wind power plant 100% owned by REE Corporation is currently in progress to be transferred to REE Tra Vinh Wind Power Company Limited (a wholly-owned subsidiary of REE Corporation).

- › REE M&E regained its growth momentum in the last months of 2021 with a total new order value for the year of VND3,757 billion, up by 60.7% over 2020, setting the stage for a rebound in revenue and profit in 2022.
- › REE Water acquired a 65% stake in TK Plus Company Limited in an endeavor to diversify into new related businesses in the water sector.
- › In residential real estate, REE Land partnered with SaigonRes to co-develop the Phu Hoi residential project at Nhon Trach District, Dong Nai Province on a land area totaling 7.9 hectares.
- › REE Land divested its entire stake in VIID and realized a capital gain of VND163 billion.
- › REE integrated Google Workspace - the office productivity and collaboration platform by Google - into the Group's business operations under our digital transformation action plan and following our efforts to improve internal communication, collaboration and corporate functionality.



In each of our Group businesses, REE commits to our strategic development goals of robustly scaling up the existing asset portfolio, making new investments to increase capacity in the power and water sectors, expanding commercial office space and acquiring new lands for residential real estate projects.

This year, we placed a heightened importance on group-wide digitization and digital transformation. We established a highly capable in-house tech arm to take on our forward digitization and digital transformation assignments. In addition, we gave a strong focus to enhance technological capability of our employees via a wide range of internal corporate training.

We aim to enable the integration of leading technologies into our businesses to facilitate real-time data collection and analytics. The data will facilitate our acquisition of in-depth understanding about our customers and business partners, enabling business decisions to be tailored to the partners' tastes and demand at best.

Our digital transformation path would be leveraged further during the course we fuel the growth of tech ventures. We have partnered with Zone Startups Ventures this year to explore viable startups and will make investments in those relevant to our ecosystem.

Bright nodes of REE Group in this challenging year have been attained under the auspices of restless efforts of all employees as well as continuing trusts from our customers, shareholders, investors, business partners and other stakeholders. We therefore would like to express the greatest gratitude for the devotion of all employees and the valued trusts of business partners, and we are committed to delivering more solid achievements in the year to come.



Nguyen Thi Mai Thanh
Chairwoman



01

CORPORATE INFORMATION

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GENERAL INFORMATION

Refrigeration Electrical Engineering Corporation

Abbreviated Name
REE Corp

Stock Code
REE

Enterprise Registration No.
0300741143

Charter Capital
VND3,100,588,410,000

Head Office
364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City

Email
ree@reecorp.com.vn

Website
www.reecorp.com

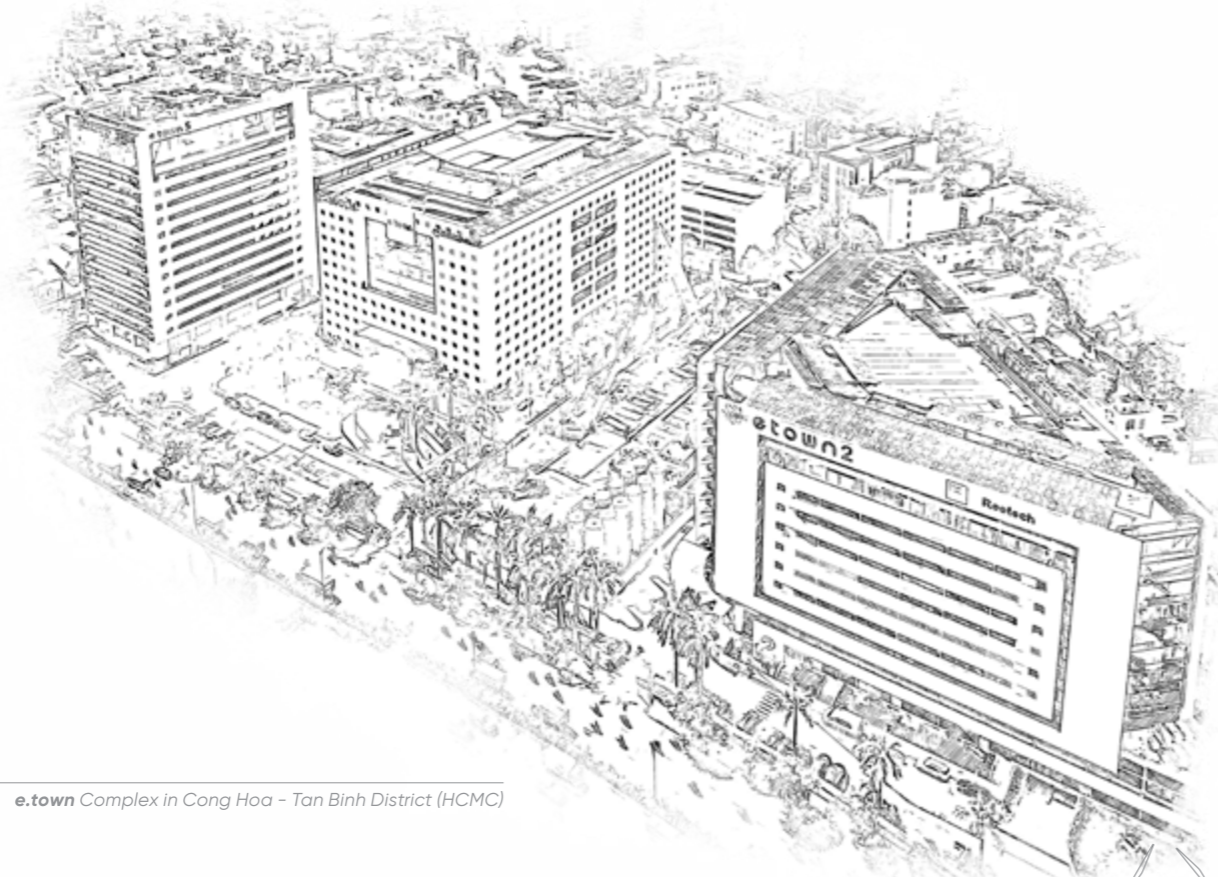
Tel
(+84) 28 3810 0017

Fax
(+84) 28 3810 0337

REEcorp.1977

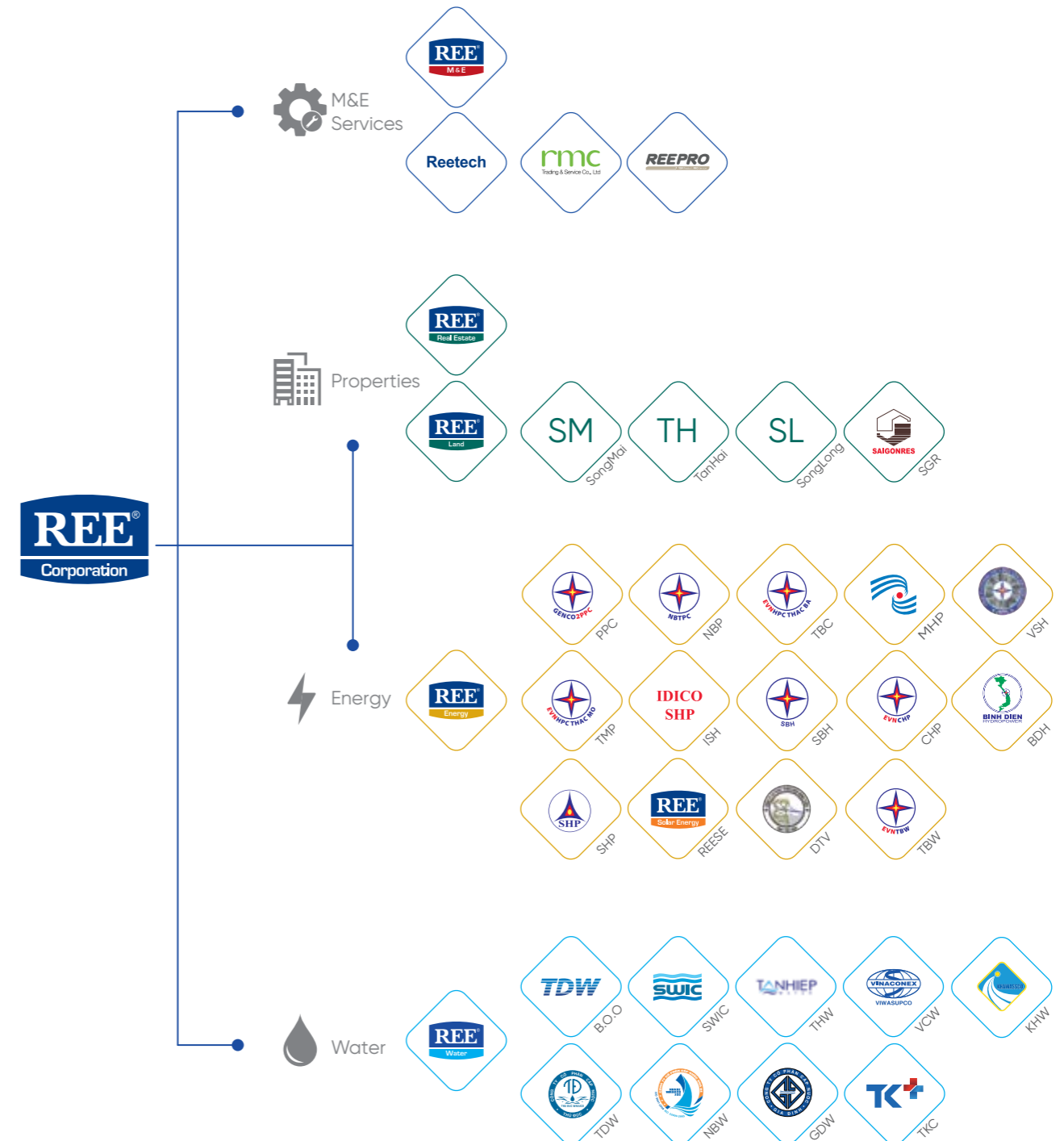
reecorp1977

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e.town Complex in Cong Hoa - Tan Binh District (HCMC)

GROUP STRUCTURE



Subsidiaries and Associates

 REE M&E R.E.E MECHANICAL & ELECTRICAL ENGINEERING JSC 90.9% HCM City Charter Capital VND 165bn. Nationwide	 REE Property R.E.E REAL ESTATE COMPANY LIMITED 100% HCM City Charter Capital VND 6bn. HCM City	 REE Energy REE ENERGY COMPANY LIMITED 100% HCM City Charter Capital VND 6,380bn. Nationwide	 REE SE REE SOLAR ENERGY JSC 99.99% HCM City Charter Capital VND 500bn. 92.5 MWp
 Reetech R.E.E ELECTRIC APPLIANCES JSC 99.99% HCM City Charter Capital VND 150bn. Nationwide	 REE Land REE LAND COMPANY LIMITED 100% HCM City Charter Capital VND 912bn. Nationwide	 TBC PHA LAI THERMAL POWER JSC 24.1% Hai Duong Charter Capital VND 3,262bn. 1,040 MW	 NBP NINH BINH THERMAL POWER JSC 29.5% Ninh Binh Charter Capital VND 129bn. 100 MW
 RMC RMC TRADE & SERVICES COMPANY LIMITED 99.99% HCM City Charter Capital VND 40bn. Nationwide	 SongMai SONG MAI REAL ESTATE JSC 99.99% HCM City Charter Capital VND 300bn. Nationwide	 TBC THAC BA HYDROPOWER JSC 60.4% Yen Bai Charter Capital VND 635bn. 120 MW	 MHP MUONG HUM HYDROPOWER JSC 79.8% Lao Cai Charter Capital VND 508bn. 34.8 MW
 REEPRO REEPRO SERVICE & MANUFACTURING COMPANY LIMITED 99.99% HCM City Charter Capital VND 50bn. Nationwide	 TanHai TAN HAI REAL ESTATE JSC 99.99% HCM City Charter Capital VND 50bn. HCM City	 VSH VINH SON - SONG HINH HYDROPOWER JSC 50.5% Binh Dinh, Phu Yen, Kon Tum Charter Capital VND 2,362bn. 356 MW	 TMP THAC MO HYDROPOWER JSC 42.6% Binh Phuoc, Dak Lak, Lam Dong Charter Capital VND 700bn. 170 MW 50MWp
	 SongLong SONG LONG REAL ESTATE JSC 70.0% HCM City Charter Capital VND 5bn. HCM City	 ISH IDICO - SROK PHU MIENG HYDROPOWER JSC 34.3% Binh Phuoc Charter Capital VND 450bn. 51 MW	 SHP MIEN NAM HYDROPOWER JSC 12.0% Lam Dong Charter Capital VND 937bn. 122.5 MW
	 SGR SAIGON REAL ESTATE JSC 28.9% HCM City Charter Capital VND 600bn. Nationwide	 CHP MIEN TRUNG HYDROPOWER JSC 23.8% Thua Thien Hue, Dak Nong Charter Capital VND 1,469bn. 170 MW 50MWp	 BDH BINH DIEN HYDROPOWER JSC 25.5% Thua Thien Hue Charter Capital VND 155bn. 44 MW
		 SBH SONG BA HA HYDROPOWER JSC 25.8% Phu Yen Charter Capital VND 1,242bn. 220 MW	
		 DTV TRA VINH ELECTRIC DEVELOPMENT JSC 66.3% Tra Vinh Charter Capital VND 53bn. Tra Vinh	 TBW THUAN BINH WIND POWER JSC 50.0% Binh Thuan Charter Capital VND 500bn. 78.9 MW


Legend


LOGO	Abbreviated name or Stock code
	COMPANY NAME
% REE Ownership	Head Office Charter Capital
	Capacity or service range


- M&E Services
- Properties
- Energy
- Water





Subsidiaries and Associates (continued)


	REE WATER REE WATER COMPANY LIMITED
100%	HCM City Charter Capital VND 1,630 bn.


	B.O.O Thu Duc B.O.O THU DUC WATER JSC
42.1%	HCM City Charter Capital VND 558bn. 300,000 cbm/day


	SWIC SAI GON CLEAN WATER BUSINESS & INVESTMENT JSC
40.0%	HCM City Charter Capital VND 150bn. 300,000 cbm/day


	THW TAN HIEP CLEAN WATER INVESTMENT JSC
32.0%	HCM City Charter Capital VND 240bn. 300,000 cbm/day


	VWC SONG DA WATER INVESTMENT JSC
36.0%	Ha Noi Charter Capital VND 750bn. 300,000 cbm/day

	TK PLUS TK PLUS COMPANY LIMITED
65.0%	HCM City Charter Capital VND 12bn. Nationwide

	TDW THU DUC WATER SUPPLY JSC
44.2%	HCM City Charter Capital VND 85bn. Dist 2, Dist 9, Thu Duc City

	KHW KHANH HOA WATER SUPPLY & SEWERAGE JSC
44.0%	Khanh Hoa Charter Capital VND 260bn. Nha Trang City, 120,000 cbm/day Dien Khanh Dist, Khanh Son Dist

	NBW NHA BE WATER SUPPLY JSC
20.0%	HCM City Charter Capital VND 109bn. Dist 4, Dist 7, Nha Be Dist

	GDW GIA DINH WATER SUPPLY JSC
20.1%	HCM City Charter Capital VND 95bn. Binh Thanh Dist, Phu Nhuan Dist

TOP AWARDS



Forbes
Top 50 Best Listed Companies



Vietnam Report
Top 5 M&E Contractors- Reputation Award



Gold Brand
Gold Brand Award



Vietnam Report
Vietnam Top 50 Public Companies



Nhiep Cau Dau Tu
Vietnam's 50 Best-Performing Companies



Vietnam Report
Top 500 Largest Companies In Vietnam



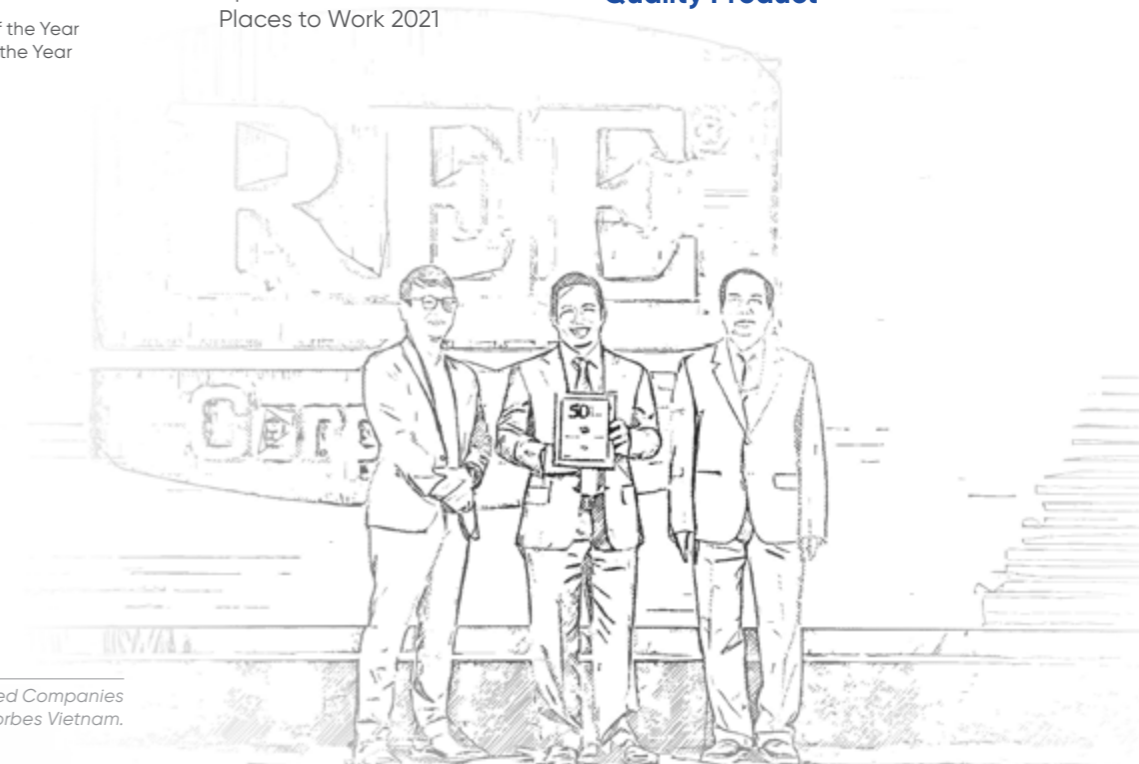
Leader Associates
The Solar Future Awards
REESE - Project Developer of the Year
REEPRO - EPC Company of the Year



Anphabe
Top 100 Vietnam Best Places to Work 2021



Vietnam High Quality Product



REE received Top 50 Best Listed Companies in Vietnam 2021 by Forbes Vietnam.



BUSINESS BRIEFINGS

MECHANICAL & ELECTRICAL ENGINEERING (M&E) SERVICES

Our M&E services consist of trading industrial M&E products and providing consultancy, design, deployment, installation, operation and maintenance services to industrial M&E and solar photovoltaic power projects. Our products and services are provided with a professional project management quality, high level of technical expertise and full compliance with the strict requirements of ISO 9001:2015, VGBC and USGBC.

R.E.E Mechanical & Electrical Engineering (REE M&E), a member of our Group, has been the leading M&E contractor in Vietnam with over 40 years of experience and providing services for almost 1,300 infrastructure, commercial and industrial projects nationwide and in Southeast Asia.

Our M&E services also include the subsidiaries specialized in developing and distributing air-conditioners, comprising the brands Reetech - the first Vietnam trademark air-conditioner and Fujitsu. Their offering portfolio ranges from industrial to household products with embedded European technology, diversified models and capacity together with trusted warranty policies.

PROPERTIES

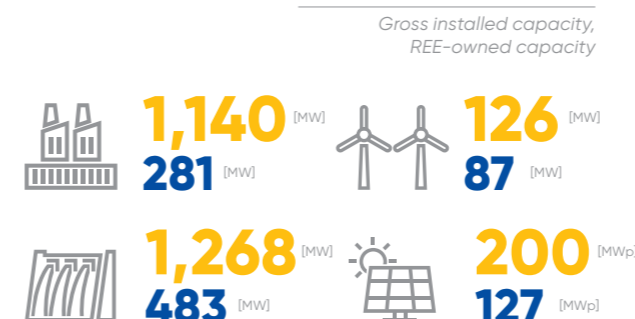
Office Leasing

REE Corporation owns eleven (11) office buildings in Ho Chi Minh City with a total leasable area of circa 150,000 sqm. Amongst them, there are six (06) office buildings branded e.town. The majority of our office buildings are currently managed and operated by REE Real Estate Company Limited (REE Property). We constantly focus on equipping modern facilities, building professional team, expanding service offerings and facilities to enhance our service quality and customer experiences.

Real estate development

Real estate development activities of our Group are conducted by REE Land Company Limited (REE Land) along with a handful of joint ventures and affiliates. Their key business includes developing and investing in various residential, commercial office and industrial property projects in major cities across Vietnam.

ENERGY



REE Group entered into the Energy sector in 2010 and currently possesses an asset portfolio varying from hydropower, wind power, solar power to coal-fired thermal power plants which were long developed. Total gross installed capacity of the plants reaches 2,734 MW in which total capacity by our ownership is 978 MW. Our Group's power plant portfolio contributes c.12 billion kWh to total national power generation output.

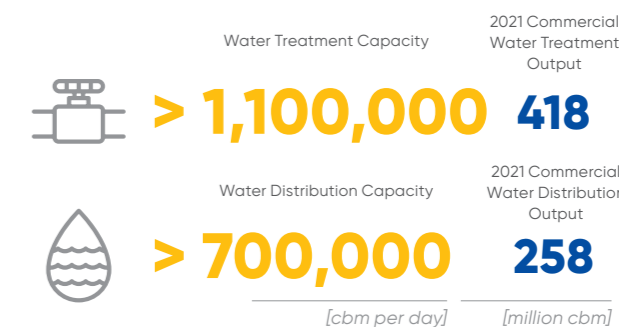
Energy businesses of our Group are currently managed and developed by REE Energy Company Limited (REE Energy) - a wholly-owned subsidiary of REE Corporation. REE Energy aims to become a leading renewable energy investor in Vietnam, with increased investment put into wind and solar power in the upcoming years.

WATER

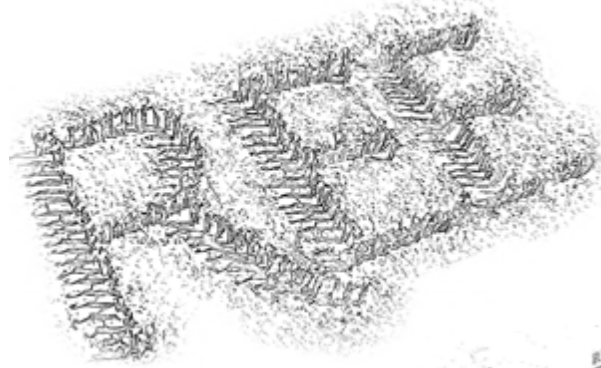
REE Group has had our footprint in the Water sector since 2004 as we recognized huge potentials pertinent to rapid urbanization in HCMC in the 2000s. Our first investment was made in B.O.O Thu Duc Water Treatment Plant - the water processing plant with a generation capacity of 300,000 cbm per day.

In the period of 2004 - 2021, REE accelerated our investments in the Water sector with a portfolio of 4 water treatment plants, 3 water distribution plants, 1 water treatment and distribution plant along with an enterprise providing technical consultancy and renovation - construction services to various water plants in Vietnam.

Water businesses of our Group are currently managed and developed by REE Water Company Limited (REE Water), a wholly-owned subsidiary of REE Corporation.



45 years of lasting development



1977

The Company was established on the basis of a state entity, later changed its name to **Refrigeration Electrical Engineering Company**

1993

One of the first enterprises to be **equitized**



1996

Launched **Reetech air conditioners**



1997

The first company issued **convertible bonds** to foreign investors in Vietnam



2000

The first company listed its shares on Vietnam's stock market



2001

Expanded into **Real Estate sector** & commenced the construction of **e.town 1**



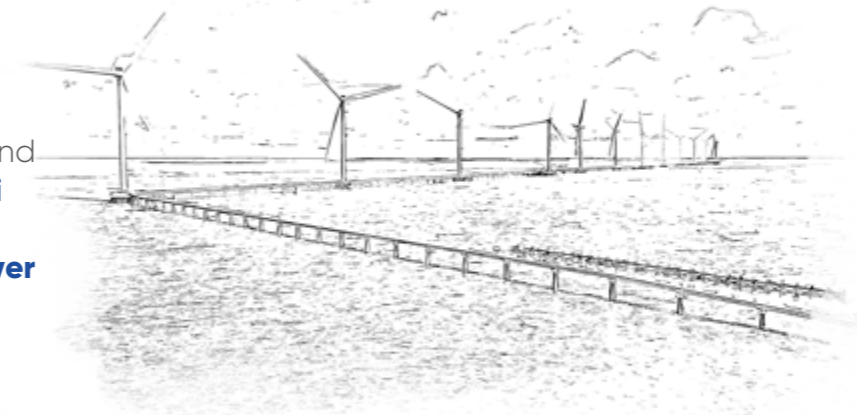
2010

Expanded into **Energy sector**



2021

• **Thuong Kon Tum Hydropower** and 3 wind projects **Tra Vinh V1-3, Loi Hai 2, Phu Lac 2** came on stream
• **Vinh Son - Song Hinh Hydropower JSC** became a subsidiary



2020

• Group Restructuring to Holding Company model
• Debuted the new Board of Management via the **Transfer to the New Generation ceremony**



2019

Entered into **renewable energy sector** and raised total office leasable area up to nearly **150,000 sqm** with **e.town 5**



2017

Total office leasable area increased by **34,000 sqm** with **e.town Central**



2015

Executed the conversion of the bonds issued in 2012 to **Platinum Victory Pte. Ltd** (a wholly owned subsidiary of **Jardine Cycle & Carriage**)



2014

Thac Ba Hydropower JSC became a subsidiary

MANAGEMENT TEAM

Board of Management

Education Bachelor of Engineering
(Karl-Marx-Stadt Technical University, Germany)

Experience

- 1993 - present Chairwoman of REE Corporation
- 1993 - Jul 2020 General Director of REE Corporation
- 1989 - 1992 Member of National Assembly Term VIII
- 1987 - 1993 General Director of Refrigeration Electrical Engineering Enterprise (REE Enterprise)
- 1982 - 1987 Deputy Director of REE Enterprise

Other current positions Nil.



Chairwoman
Ms. Nguyen Thi Mai Thanh
Appointment: 1993



Non-executive Director
Mr. Stephen Patrick Gore
Appointment: 2019

Education Bachelor of Arts (Honours) in Politics, Philosophy and Economics (Oxford University, UK)

Experience

- 2019 - present Group Finance Director of Jardine Cycle & Carriage Limited
- 2017 - 2019 Chief Financial Officer of Jardine Pacific and Jardine Motors
- 2012 - 2017 Managing Director and Head of M&A Asia Pacific of Bank of America Merrill Lynch

Other current positions

At listed companies Commissioner of Astra International (IDX: ASII)
Board Member of Siam City Cement (SET: SCCC)

Education Bachelor of Arts in Economic Sciences
(University of Paris, France)

Experience

- 2007 - present Country Chairman and Chief Representative of Jardine Matheson Vietnam
- 2003 - 2007 Chief Executive Officer of HSBC Vietnam
- 2000 - 2003 Head of European Business Development of HSBC Hong Kong
- 1993 - 1999 CEO and General Manager of Credit Commercial De France - Hong Kong Branch

Other current positions

At listed companies Board Member of Vietnam Dairy Products JSC (HOSE: VNM)

At other companies Board Member of Siam City Cement Vietnam
Chairman of PATI
Chairman of Eurocham



Non-executive Vice Chairman
Mr. Alain Xavier Cany
Appointment: 2021
Appointed on 30 Mar 2021



Executive Director
Mr. Huynh Thanh Hai
Appointment: 2021
Appointed on 30 Mar 2021

Education Master of Business Administration in Executive Management (Royal Roads University, Canada)

Experience

- Aug 2020 - present General Director of REE Corporation
- 2013 - Jul 2020 Deputy General Director of REE Corporation
- 2008 - 2020 Managing Director of REE M&E
- 2003 - 2008 Deputy Project Manager, later promoted to Project Director of REE M&E

Other current positions

At listed companies Chairman of R.E.E Mechanical & Electrical Engineering JSC (REE M&E), R.E.E Electric Appliances JSC (Reetech) and Thuan Binh Wind Power JSC (TBW)



MANAGEMENT TEAM (continued)

Board of Management

Education Master of Business Administration (University of Hawaii, US)

Experience

- Aug 2020 – present Deputy General Director of REE
- 2009 – Jul 2020 Chief Financial Officer of REE
- 2005 – 2009 Relationship Manager of HSBC Bank (Vietnam)

Other current positions

At listed companies Board Member of B.O.O Thu Duc Water JSC



Executive Director

Mr. Nguyen Ngoc Thai Binh

Appointment: 2007

Education Master of Business Administration (Vietnam – Belgium Master Program – HCMC Open University, Vietnam)

Certificate of Auditor (Ministry of Finance)

Experience

- Aug 2021 – present Chairman cum Managing Director of Tan Dang Investment Co., Ltd
- Mar 2021 – present Independent Director cum Member of Audit Committee of REE Corporation
- Apr 2018 – Mar 2021 Independent Director cum Head of Audit Committee of REE Corporation
- Apr 2013 – Mar 2017
- Jan 2018 – present Volunteer of The Institute of Internal Auditors (IIA)
- Apr 2017 – Mar 2021 Member of Audit Committee of Nam Long Investment Corporation (HOSE: NLG)
- Jul 2011 – present Managing Director of Tan Dang & Company Co. Ltd

Other current positions Nil.



Independent Director

Mr. Dang Hong Tan

Appointment: 2013

Education

1998 – 2000 Diploma of Senior Official Degree and Master Degree of National Administration School (France)

1994 – 1995 Diploma of National Treasury School (France)

1986 – 1990 Diploma of Hanoi University of Finance and Accounting (Institute of Finance)

Experience

- Mar 2021 – present Independent Director cum Head of the Audit Committee of REE Corporation
- Sep 2020 – present Deputy Head of the Audit and Compliance Committee – Ecopark Group
- Sep 2019 – present Independent Director, Chairman of the Audit Committee – An Gia Real Estate Investment and Development Corporation
- Apr 2017 – present Independent Director cum Head of the Audit Committee – Vietnam Dairy Products JSC (HOSE: VNM)

Other current positions Nil.



MANAGEMENT TEAM (continued)

Board of Directors

Education Master of Business Administration in Executive Management (Royal Roads University, Canada)

Experience

- Aug 2020 - present General Director of REE Corporation
- 2013 - Jul 2020 Deputy General Director of REE Corporation
- 2008 - 2020 Managing Director of REE M&E
- 2003 - 2008 Deputy Project Manager, later promoted to Project Director of REE M&E

Other current positions

At listed companies Chairman of R.E.E Mechanical & Electrical Engineering JSC (REE M&E), R.E.E Electric Appliances JSC (Reetech) and Thuan Binh Wind Power JSC (TBW)



General Director
Mr. Huynh Thanh Hai
Appointment: 2020



Deputy General Director
Mr. Nguyen Quang Quyen
Appointment: 2020

Education Master of Business Administration (Columbia Southern University, US)

Experience

- 2007 - Jul 2020 Investment Manager, then promoted to Investment Director
- Aug 2020 - present Deputy General Director of REE Corporation cum Director of REE Energy

Education Master of Business Administration (University of Hawaii, US)

Experience

- Aug 2020 - present Deputy General Director of REE Corporation
- 2009 - Jul 2020 Chief Financial Officer of REE Corporation
- 2005 - 2009 Relationship Manager of HSBC Bank (Vietnam)

Other current positions

At listed companies Board Member of B.O.O Thu Duc Water JSC



Deputy General Director
Mr. Nguyen Ngoc Thai Binh
Appointment: 2020



Chief Accountant
Ms. Ho Tran Dieu Lynh
Appointment: 2006

Education Bachelor of Economics specializing in Accounting (University of Economics HCMC)
Certificate of Chief Accountant issued by MOF

Experience

Ms. Ho Tran Dieu Lynh joined REE Corporation in 2001, having worked in a variety of roles in the Company



SHAREHOLDERS & SHAREHOLDINGS



As at 31 December 2021

Charter Capital Increase During the 2013 – 2021 Period

Issued Date	Issuance Method	Target	Charter Capital before the Issue (VND)	Capital raised from the Issue (VND)	Charter Capital after the Issue (VND)
19-Dec-13	Conversion of REE-CB2012 – Stage 1	Platinum Victory Pte. Ltd	2,446,433,850,000	190,430,000,000	2,636,863,850,000
29-Apr-14	ESOP Share Issue	Key Managers & Employees	2,636,863,850,000	19,651,540,000	2,656,515,390,000
1-Dec-14	Conversion of REE-CB2012 – Stage 2	Platinum Victory Pte. Ltd	2,656,515,390,000	34,190,000,000	2,690,705,390,000
19-Dec-15	Conversion of REE-CB2012 – Last Stage	Platinum Victory Pte. Ltd	2,690,705,390,000	5,462,710,000	2,696,168,100,000
3-Jun-16	FY 2015 Share Dividend Issue	Existing Shareholders	2,696,168,100,000	404,420,310,000	3,100,588,410,000

Shareholding Structure

By geography	01 Mar 2022			26 Feb 2021		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Local	16,603	158,130,015	51.0%	16,470	158,130,015	51.0%
Individuals	16,442	112,855,602	36.4%	16,307	119,420,111	38.5%
Institutions	161	45,274,413	14.6%	163	38,709,904	12.5%
Foreign	473	151,928,826	49.0%	476	151,928,826	49.0%
Individuals	399	1,104,060	0.4%	400	1,096,594	0.4%
Institutions	74	150,824,766	48.6%	76	150,832,232	48.6%
Total	17,076	310,058,841	100%	16,946	310,058,841	100%

By Type	01 Mar 2022			26 Feb 2021		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Major shareholders (over 5%)	5	185,125,214	59.7%	5	181,536,224	58.5%
State (HFIC)	1	16,341,949	5.3%	1	16,341,949	5.3%
Local	2	54,625,987	17.6%	2	54,625,987	17.6%
Foreign	2	114,157,278	36.8%	2	110,568,288	35.7%
Others	17,071	124,933,627	40.3%	16,941	128,522,617	41.5%
Local	16,600	87,162,079	28.1%	16,467	87,162,079	28.1%
Individuals	16,440	58,229,615	18.8%	16,305	64,794,124	20.9%
Institutions	160	28,932,464	9.3%	162	22,367,955	7.2%
Foreign	471	37,771,548	12.2%	474	41,360,538	13.3%
Individuals	399	1,104,060	0.4%	400	1,096,594	0.4%
Institutions	72	36,667,488	11.8%	74	40,263,944	13.0%
Total	17,076	310,058,841	100%	16,946	310,058,841	100%

Major shareholders	01 Mar 2022		26 Feb 2021	
	Number of Shares	%	Number of Shares	%
State (HFIC)	16,341,949	5.3%	16,341,949	5.3%
Nguyen Thi Mai Thanh	37,711,925	12.2%	37,711,925	12.2%
Apollo Asia Fund Ltd.	18,213,250	5.9%	18,213,250	5.9%
Nguyen Ngoc Hai	16,914,062	5.5%	16,914,062	5.5%
Platinum Victory Pte. Ltd	95,944,028	30.9%	92,355,038	29.8%
Others	124,933,627	40.3%	128,522,617	41.5%
Total	310,058,841	100%	310,058,841	100%

Share transactions of Major Shareholders, Internal Shareholders and Related Parties

No.	Name	Relationship with Internal Shareholders	Number of Shares at the beginning of the year		Number of Shares at the end of the year		Reason
			Number of Shares	%	Number of Shares	%	
1	Platinum Victory Pte. Ltd	Related parties to Mr. Alain Xavier Cany - Vice Chairman of the Board of Directors	92,355,038	29.88%	95,944,028	31.04%	Ownership increase

Treasury share transactions

In 2021, REE neither purchased nor sold treasury shares.

- › The number of treasury shares as at 1 January 2021: 1,007,915 shares.
- › The number of treasury shares as at 31 December 2021: 1,007,915 shares.





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2021 BUSINESS PERFORMANCE

Dear our fellow Shareholders and Investors,
2021 was the premiere full operating year of our sector holding companies following the 2020 group restructuring decision of the General Meeting of Shareholders. On top of that, 2021 happened to be the year Vietnam witnessed COVID-19 pandemic raging at a more elevated level, which exerted adverse impact to every enterprise and individual in our community, including REE Group.

In the aforementioned context, REE Group recorded:

◆ A consolidated revenue of VND5,810 billion, up by 3% compared with 2020, and a net profit after tax of VND1,855 billion, up by 13.9% relative to the previous year, amongst which:

▸ REE Energy and REE Water contributed the most to revenue growth, equivalent to an increase of 159% to VND3,055 billion (2021) from VND1,178 billion (2020), mainly thanks to:

» Favorable hydrographic conditions triggering growing power generation output

of hydropower plants, remarkably VSH with total electricity output of 1.7 billion kWh (of which 976 million kWh delivered by Thuong Kon Tum plant since April 2021);

» 2021 average electricity tariff of hydropower plants higher than that in the year before;

» 86 MWp C&I solar systems effectively operating all the year round;

» New wind power plants Tra Vinh V1-3, Loi Hai 2 and Phu Lac 2 coming on stream at month-end October and contributing to Group revenue in the last two months of 2021.

▸ M&E services and Property segments saw a performance deterioration, attributable to (1) construction project postponements resulted from the severe pandemic situation, stagnant real estate market, legal issues encountered by project developers and (2) COVID-19 support scheme granting 20% rent and service fee discounts to office tenants in 3Q2021.



Ông Huỳnh Thanh Hải - Tổng Giám đốc

◆ Financial income surged by 110% to VND466 billion thanks to capital gains pertinent to our divestment from VIID and QTP (VND163 billion and VND72 billion respectively).

◆ Group consolidated assets augmented by VND11,297 billion (up by 55% over 2020), mostly attributable to:

» Asset consolidation of VSH by the Group after REE Energy raised its interest stake in the company from 49.5% to 50.5%;

» Incremental assets in the wake of three (03) wind power projects Tra Vinh V1-3, Loi Hai 2 and Phu Lac 2 completing their construction phases and starting their commercial operation;

» Incremental assets arising from 16.3 MWp of new rooftop solar projects.

◆ Along with asset hike on the back of the aforementioned factors, Group liabilities grew by VND7,151 billion (up by 86% over 2020), owing to (1) the Thuong Kon Tum-related bank loan consolidation of VSH and (2) new bank loan disbursement for renewable energy projects.

◆ REE Group's cash and cash equivalents surged to VND2,622 billion (2021) from VND1,545 billion (2020) thanks to (1) a handful of power companies paying large dividends with all of their retained earnings and (2) our divestment of VIID and QTP.



Group Financial Results

Net Revenue

(+3.0% relative to 2020, reached 83.8% of 2021 Target)

VND **5,810** bn.

Net Profit After Tax

(+14.0% relative to 2020, reached 104.9% of 2021 Target)

VND **1,855** bn.

Revenue by Segment

	2021	2020	% change	% Actual/Plan
M&E Services	1,816	3,474	-47.7%	42.2%
Properties	938	987	-5.0%	92.5%
Energy	2,963	1,178	151%	184%
Water	92	-		
Total	5,810	5,640	3.0%	83.8%

Unit: bn VND

Net Profit After Tax by Segment

	2021	2020	% change	% Actual/Plan
M&E Services	98	226	-56.6%	35.6%
Properties	630	515	22.4%	100.5%
Energy	873	670	30.2%	135%
Water	274	259	5.6%	103%
Other (*)	(19)	(42)		
Total	1,855	1,628	14.0%	104.9%

(*) Including net financial income

Unit: bn VND

Financial Performance

	2021	2020	% change
Net revenue	5,810	5,640	3.0%
Cost of sales	3,500	4,034	-13.2%
Gross profit	2,310	1,606	43.8%
Operating profit	2,387	1,901	25.5%
Other profit	13	22	-43.0%
Profit before tax	2,400	1,924	24.8%
Consolidated profit after tax	2,135	1,714	24.6%
Profit after tax of parent company	1,855	1,628	13.9%
Earnings Per Share (VND/share)	6,003	5,251	14.3%

Unit: bn VND

Financial Highlights

	2021	2020	% change
Total assets	31,827	20,530	55.0%
Current assets	6,806	6,009	13.3%
› Cash and cash equivalents	1,831	652	181%
› Short-term investments	914	1,329	-31.2%
› Account receivables	2,987	3,082	-3.1%
› Inventories	800	808	-0.9%
› Other current assets	275	139	98.5%
Non-current assets	25,021	14,522	72.3%
› Long-term receivables	37	51	-26.8%
› Fixed assets	16,058	2,585	521%
› Investment properties	1,570	1,773	-11.4%
› Long-term assets in progress	406	276	47.1%
› Long-term investments	6,261	9,287	-32.6%
› Other long-term assets	688	550	25.2%
Total liabilities	15,469	8,318	86.0%
Current liabilities	4,062	3,443	18.0%
› Short-term loans	1,234	1,265	-2.4%
› Other short-term liabilities	2,828	2,179	29.8%
Non-current liabilities	11,407	4,874	134%
› Long-term loans	10,740	4,335	148%
› Other long-term liabilities	667	540	23.6%
Total owners' equity	16,358	12,213	33.9%
› Owners' equity	13,302	11,453	16.1%
› Non-controlling interests	3,056	760	302%
Book Value Per Share (VND/share)	43.041	36.939	16.5%

Unit: bn VND

Financial Ratio

	2021	2020
Liquidity		
› Current	1.7	1.7
› Quick	1.4	1.5
Leverage		
› Debt/Total assets	48.6%	40.5%
› Debt/Equity	94.6%	68.1%
› Equity/Total assets	51.4%	59.5%
Operating efficiency		
› Inventories turnover	4.4	4.5
› Receivables turnover	1.9	2.2
› Working capital turnover	2.2	2.1
› Assets turnover	0.2	0.3
Profitability		
› Return on net sales (ROS)	36.8%	30.4%
› Return on assets (ROA)	8.2%	8.5%
› Return on equity (ROE)	15.0%	14.9%



M&E Services

M&E Services achieved a revenue of VND1,816 billion in 2021, down by 47.7% relative to VND3,474 billion in 2020. Its proportion of REE Group's consolidated revenue dropped from 61.6% (2020) to 31.3% (2021) accordingly.

Key points as follows:

- › Decreased turnover of M&E services were sourced from suspended construction projects due to extended lockdown, stagnant real estate market and legal issues faced by project developers, especially in condominium and condotel segments;
- › A number of M&E projects had been completed yet final accounts were unable to proceed with project developers owing to lasting severe pandemic situation;
- › No new government policies for rooftop solar have as yet been released, which blocked new project development and constrained revenue sources generated from EPC services for rooftop solar projects;
- › Weakened consumer spending, declining volume of new property projects and harsh competition caused falling air-conditioner sales and surging inventory in distribution channels;



Business results – M&E services			
	2021	2020	
Value of new orders	3,757	2,338	[60.7%]
Revenue	1,816	3,474	[-47.7%]
Net Profit After Tax	98	226	[-56.6%]

Unit: bn VND

- › Rising operating costs were incurred, including (1) higher inventory turnover resulting in inflated interest expenses, (2) additional provisions for obsolete inventory and (3) extraordinary expenses associated with "3T" or "three on the spot" operations throughout strict lockdown period;
- › Global supply chain disruptions and container shortage led to surging transportation costs.

Nonetheless, REE M&E swiftly regained its growth momentum whilst approaching year-end 2021 thanks to new orders. Total new order books amounted to VND3,757 billion, up by 60.7% compared with 2020.

Furthermore, during the year, REE deployed various activities for brand building and distribution channel expansion (especially in the North and Southeast) for our Reetech air-conditioners, noticeably the launch of Reetech stores on multiple e-commerce platforms.

Properties

Business results – Real Estate Development			
	2021	2020	
Revenue	7	16	[-59.7%]
Net Profit After Tax	169	37	[357.6%]

Unit: bn VND

Office Leasing

- › In 2021, occupancy rates at REE-owned office buildings for lease stabilized at 98.5%, equivalent to 142,437 sqm of leasable area;
- › Besides, REE offered certain COVID-19 support schemes for tenants throughout the pandemic peak time, including: (1) 20% rent and service fee discounts and (2) COVID-19 vaccination program for our office tenants' employees;
- › 2021 revenue and net profit after tax slightly declined by 3.8% and 3.5% to VND896 billion and VND461 billion respectively.

Business results – Office Leasing			
	2021	2020	
Average occupancy level (%)	98.5	98.3	[0.2%]
Revenue (*)	896	931	[-3.8%]
Net Profit After Tax	461	478	[-3.5%]

Unit: bn VND

(*): excluding electricity charges collected from tenants

Real Estate Development

In 2021, REE Land invested 51% in a new joint venture with SaigonRes to co-develop a new residential real estate project at Phu Hoi Commune (Nhon Trach, Dong Nai) with a total land area of 7.9 hectares.

SaigonRes recorded VND46 billion of net profit after tax, down by 55% relative to VND102 billion of net profit after tax in 2020, due to:

- › Incomplete legal procedures prevented certain projects from commencing their construction;
- › M&A projects of SaigonRes have yet to report initial earnings given incomplete land compensation procedures.

Also in this year, REE Land divested its entire stake in VIID and achieved a capital gain of VND163 billion.



Our national power system, especially the Southern hub that are serving the largest demand load, confronted plunging electricity demand due to the closure of numerous businesses across the country.

2021 average electricity tariff was VND1,110/kWh, up by 12% relative to 2020, due to:

- › Decision No.123/QD-DTDL dated 31st December 2020 on 2021 Operational Plan of National Power Market released by Ministry of Industry and Trade (MOIT) regulated System Marginal Price (SMP) and Capacity-Add-On Price (CAN) to be capped at VND1,503/kWh and VND150/kWh respectively, up by VND162/kWh (+12.1%) and VND87.07/kWh (+138.4%) over the previous year.
- › Northern hydrographic conditions in 4Q2021 followed unfavored track, which led to increased electricity tariff on the competitive power generation market.

Energy

Hydropower

	Business results - Energy	
	2021	2020
Commercial power output (mn kWh)	5,279	3,564 [48.1%]
Revenue	5,597	3,687 [51.8%]
Net Profit After Tax	2,132	1,420 [50.2%]

Unit: bn VND

› The proportion of contracted output of hydropower plants with regulating reservoirs is 90% and that of market output is 10%, following Decision No.123/QD-DTDL dated 31st December 2020 issued by MOIT;

› MOIT regulated the ceiling generation price (excluding water resource fees, forest environmental service fees, water surface fees and VAT) applicable for hydropower plants as VND1,110/kWh, unchanged in comparison with that of 2020;

› In 2021, unfavorable hydrographic conditions happened in the Northern part whereas Central and Southern hydropower plants benefited from highly advantageous rainfall and delivered more positive generation output than 2020. This helped Thuong Kon Tum, Vinh Son, Song Hinh, TMP and SBH plants to reach maximum utilization rate.

1.268 [MW] Total designed capacity of the power plants

483 [MW] Total capacity by REE Group's ownership



Thac Ba Hydropower JSC (HOSE: TBC)

TBC owns Thac Ba Hydropower Plant with a generation capacity of 120 MW, located in Yen Bai Province. The plant utilizes water resources from Thac Ba Lake – one of the three largest artificial lakes in Vietnam.

In 2021, the plant delivered total commercial power output of 337 million kWh, down by 12.4% over the last year, due to unfavorable hydrographic conditions in Northern Vietnam.

Also in this year, TBC invested 49% in Thac Ba 2 Hydropower Investment JSC with the purpose of developing 18.9 MW Thac Ba 2 Hydropower Plant. The plant is expected to come on stream in 2024 and contribute circa an annual power output of 51.5 million kWh. Electricity tariff of the plant will be identified with the avoided cost tariff (ACT) mechanism.

	Hydropower business results - TBC	
	2021	2020
Commercial power output (mn kWh)	337	385 [-12.4%]
Revenue	294	330 [-10.8%]
Net Profit After Tax	143	159 [-10%]

Unit: bn VND



	Hydropower business results - TMP	
	2021	2020
Commercial power output (mn kWh)	658	482 [36.6%]
Revenue	505	443 [13.9%]
Net Profit After Tax	334	182 [83.2%]

Unit: bn VND

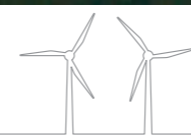
Thac Mo Hydropower JSC (HOSE: TMP)

TMP owns total generation capacity of 170 MW, including:

- › 150 MW Thac Mo Hydropower Plant, situated on the first order along Be River (Binh Phuoc Province)
- › Two small hydropower plants with their installed capacity totaling 20 MW, situated in Dak Lak and Lam Dong Province.

In 2021, TMP's hydropower output recorded 658 million kWh. Advantageous hydrography in the South enabled increased water flows to its reservoirs during the rainy season, which facilitated a 36.6% increase of commercial power output relative to 2020.

TMP also owns a 50 MW ground-mounted solar farm commercially operating since December 2020 in Binh Phuoc Province. Its solar farm possessed relatively stable operations with its capacity factors hovering at 16% and commercial power output reaching 69 million kWh in 2021.



Hydropower business results - ISH			
	2021	2020	
Commercial power output (mn kWh)	230	164	[40.1%]
Revenue	238	180	[32.7%]
Net Profit After Tax	95	52	[83.5%]

Unit: bn VND

Srok Phu Mieng Hydropower JSC (UPCOM: ISH)

ISH owns Srok Phu Mieng Hydropower Plant with a generation capacity of 51 MW, situated on the third order along the Little River (Binh Phuoc Province).

In 2021, ISH generated a commercial output of 230 million kWh, up by 40.1% over 2020, benefited from advantageous hydrographic conditions in the rainy season which drove a larger amount of water flowing into the plant's reservoir.

Hydropower business results - SHB			
	2021	2020	
Commercial power output (mn kWh)	723	666	[8.6%]
Revenue	870	805	[8.1%]
Net Profit After Tax	471	395	[19%]

Unit: bn VND

Ba Ha River Hydropower JSC (UPCOM: SBH)

SBH owns Ba Ha River Hydropower Plant with a generation capacity of 220 MW, situated on the last order along Ba River (Phu Yen Province). This is one of the largest hydropower plants in Central Vietnam.

In 2021, SBH generated 723 million kWh in its commercial power output, an increase of 8.6% over 2020 thanks to high and lasting precipitation across Central provinces starting from October.

Muong Hum Hydropower JSC (MHP)

MHP owns 34.8 MW of generation capacity including two hydropower plants situated along Ngoi Phat River (Lao Cai Province):

- › 32 MW Muong Hum Hydropower Plant
- › 2.8 MW Ban Xeo Hydropower Plant

In 2021, commercial power output of MHP achieved 160 million kWh and power generation revenue recorded VND203 billion, which slightly dropped relative to the previous year owing to major maintenance in March 2021.

Hydropower business results - MHP			
	2021	2020	
Commercial power output (mn kWh)	160	164	[-2.4%]
Revenue	203	204	[-0.5%]
Net Profit After Tax	83	76	[9.5%]

Unit: bn VND

Binh Dien Hydropower JSC (BDH)

BDH owns Binh Dien Hydropower Plant with a generation capacity of 44 MW, situated along Huu Trach tributary of Huong River (Thua Thien Hue Province).

In 2021, BDH gained from year-round favorable hydrographic conditions in the Central with total commercial power output of 193 million kWh, up by 45.4% compared with 2020. Revenue and net profit after tax achieved VND187 billion and VND86 billion respectively, which were the record-setting financial results of BDH over the past five (05) years.

Hydropower business results - BDH			
	2021	2020	
Commercial power output (mn kWh)	193	133	[45.4%]
Revenue	187	125	[49.3%]
Net Profit After Tax	86	23	[278%]

Unit: bn VND

Vinh Son – Song Hinh Hydropower JSC (HOSE: VSH)

VSH owns total generation capacity of 356 MW including three operational hydropower plants:

- › 66 MW Vinh Son Hydropower Plant, located along the Con River (Binh Dinh)
- › 70 MW Song Hinh Hydropower Plant, located along the Hinh River (Phu Yen)
- › 220 MW Thuong Kon Tum Hydropower Plant, located along Dak Nghe tributary – upstream part of Dak Bla River (a main tributary of Se San River) (Kon Tum)

In 2021, commercial power output of Vinh Son and Song Hinh added up to 795 million kWh, increased by 42% compared with the previous year, thanks to advantageous hydrographic conditions.

This year was also a remarkable milestone with the Thuong Kon Tum Plant coming on stream in April 2021 after twelve (12) years of construction. After nine (9) months of operation, the plant contributed 976 million kWh to the national power output in 2021.

Hydropower business results - CHP			
	2021	2020	
Commercial power output (mn kWh)	558	597	[-6.5%]
Revenue	616	634	[-2.9%]
Net Profit After Tax	232	240	[-3.2%]

Unit: bn VND

Central Hydropower JSC (HOSE: CHP)

CHP owns A Luoi Hydropower Plant with a generation capacity of 170 MW, situated in Thua Thien Hue Province and 50MW Cu Jut Solar Farm in Dak Nong Province.

In 2021, A Luoi Hydropower Plant generated its commercial power output of 558 million kWh, down by 6.5% on the grounds of tunnel issue causing power generation disruption in the first four months of 2021. The plant resumed its operation at month-end April 2021.

Commercial power output of Cu Jut solar power plant recorded 79 million kWh, a decrease of 12.6% compared with 2020 as the plant encountered curtailment issue in the context of redundant power sources.

Hydropower business results - VSH			
	2021	2020	
Commercial power output (mn kWh)	1.771	558	[217%]
Revenue	1.611	340	[374%]
Net Profit After Tax	387	191	[103%]

Unit: bn VND

Southern Hydropower JSC (HOSE: SHP)

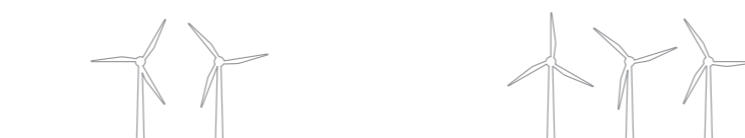
SHP owns total generation capacity of 122.5 MW including three operational hydropower plants in Lam Dong Province:

- › 75 MW Dambri Hydropower Plant
- › 34 MW Da Dang 2 Hydropower Plant
- › 13.5 MW Dasiat Hydropower Plant

In 2021, SHP generated 647 million kWh in total commercial power output, up by 56.1% compared with 2020 thanks to favorable hydrographic situation in the South, which enabled greater water flows relative to 2020.

Hydropower business results - SHP			
	2021	2020	
Commercial power output (mn kWh)	647	415	[56.1%]
Revenue	658	429	[53.2%]
Net Profit After Tax	265	63	[317%]

Unit: bn VND



Coal Thermal Power

› That global natural gas prices escalated starting from February 2021 triggered increased adoption of coal thermal power output - up by c.4% to 119 billion kWh and accounted for 46.4% of total nationwide electricity output in the past year;

› The proportion of contracted output of coal thermal plants was 80% in 2021, down by 5% compared with 2020, which facilitated the plants with low generation costs to optimize their benefits when participating in the competitive power generation market;

› Domestic coal thermal plants have been continuously dealing with coal supply shortage owing to insufficient local supplies from Vietnam National Coal and Mineral Industries Group (TKV) and Dong Bac Corporation;

› Coal thermal plants in Vietnam heavily rely on import sources for the time being, which exerted adverse impact on coal input quality and the stable operation of the plants;

› Global coal prices hiked to 170 USD/tonne in 2021, up by 110% relative to 2020 as a result of the energy crisis in China and Europe, which resulted in surging coal input costs faced by coal thermal plants.

In 2021, REE Group reduced our ownership in Quang Ninh Thermal Power JSC (UPCOM: QTP) from 8.04% to 0.98%, following the Global Coal to Clean Power Transition Statement - one of the six initiatives committed by Vietnam at COP26.

1.140 [MW] Total designed capacity of the power plants

281 [MW] Total capacity by REE Group's ownership



Ninh Binh Thermal Power JSC (HNX: NBP)

NBP owns Ninh Binh Thermal Power Plant - the first thermal power plant in Vietnam with a generation capacity of 100 MW. The plant functions as an ancillary service for the national power system as its commercial power output is called upon whenever required to guarantee national power security.

In 2021, the plant generated 391 million kWh in commercial power output, decreased by 22.1% over 2020. Revenue and net profit after tax achieved VND844 billion and VND26 billion respectively.

	Business results - NBP	
	2021	2020
Commercial power output (mn kWh)	391	502 [-22.1%]
Revenue	844	1,038 [-18.7%]
Net Profit After Tax	26	34 [-22.2%]

Unit: bn VND

	Business results - PPC	
	2021	2020
Commercial power output (mn kWh)	2,681	5,265 [-49.1%]
Revenue	3,885	7,929 [-51%]
Net Profit After Tax	287	1,008 [-71.5%]

Unit: bn VND

Pha Lai Thermal Power JSC (HOSE: PPC)

PPC owns Pha Lai Thermal Power Plant with total generation capacity of 1,040 MW (PPC1: 440 MW and PPC2: 600 MW), located in Hai Duong Province.

In 2021, commercial power output of PPC reduced by 49.1% to 2,681 billion kWh owing to the breakdown of the generating unit S6 (Capacity: 300 MW) at Pha Lai 2 Plant. The generating unit S6 is expected to resume its operation in September 2022.

Solar Power

	Business results - REESE	
	2021	2020
Total operating capacity (MWp)	93	86 [7.6%]
Commercial power output (mn kWh)	113	10 [1085%]
Revenue	213	20 [944%]
Net Profit After Tax	71	5 [1423%]

Unit: bn VND

› In 2021, solar PV power industry hardly witnessed any significant growth as Decision 13/2020/QĐ-TTg by the Prime Minister on Mechanisms to Promote the Development of Solar Power Projects in Viet Nam expired on 31st December 2020 and no updated policies have as yet been released.

› REE Solar Energy JSC (REESE) - our subsidiary specializing in developing C&I solar projects - continued to conduct the following business activities in the past year:

» Pursuing rooftop solar investment and development opportunities. Approaching and partnering with the owners of manufacturing facilities to install C&I solar systems and sell generated power output to self-consumption corporate clients on the spot at discounted tariffs;

» Conducting safe operation and maintenance activities and maintaining high capacity factors for operational rooftop solar projects.

› REESE's total newly contracted capacity was 16.3 MWp, amongst which 6.5 MWp started its commercial operation. Total operational capacity now reached circa 93 MWp;

› REESE's 2021 electricity generation output posted 113 million kWh. Total revenue from electricity sale was VND213 billion.

Electricity Distribution

Tra Vinh Rural Electric Development JSC (UPCOM: DTV) is a power distribution company equitized in 2006 with key businesses being power trading and management as well as electrical grid investment and development in Tra Vinh Province. Its customer base amounts to circa 123,600 household clients.

Over the past year, DTV offered tariff discounts for COVID-19 quarantine and treatment facilities following MOIT's guidance. DTV delivered 2021 revenue of VND596 billion and a net profit after tax of VND28 billion, up by 14.9% and 22.8% compared with 2020 respectively.



	Business results - Thac Mo Solar Farm (TMP) and Cu Jut Solar Farm (CHP)	
	2021	2020
Commercial power output (mn kWh)	148	91 [63.7%]
Revenue	287	196 [46.0%]
Net Profit After Tax	29	39 [-25.2%]

Unit: bn VND

	Business results - DTV	
	2021	2020
Commercial power output (mn kWh)	317	289 [9.8%]
Revenue	596	519 [14.9%]
Net Profit After Tax	28	23 [22.8%]

Unit: bn VND



Wind power

126

[MW]

Total designed capacity of the power plants

87

[MW]

Total capacity by REE Group's ownership

› REE Group successfully brought REE Corporation-owned Tra Vinh V1-3 together with two Thuan Binh Wind Power JSC-owned Phu Lac 2 and Loi Hai 2 into commercial operation at month-end October 2021;

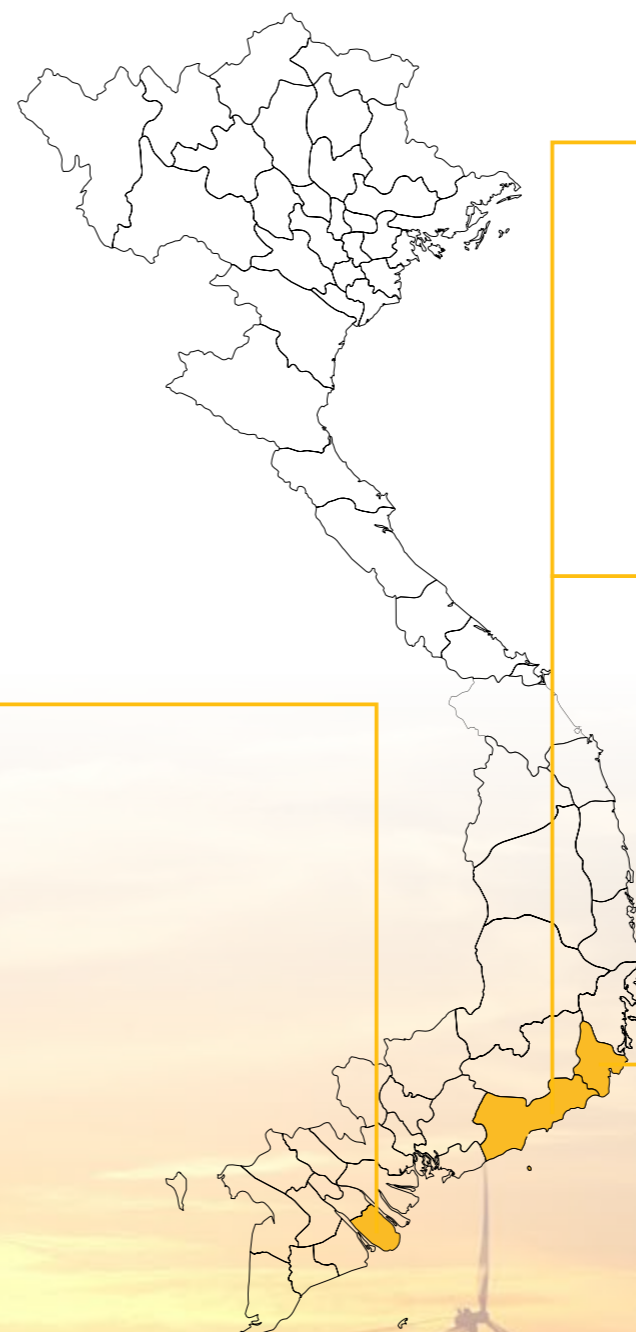
› Our wind power plants sell generated electricity output at feed-in tariffs (FiT) to EVN in twenty-year course following Decision No.39/2018/QĐ-TTg dated 10th September 2018 released by the Prime Minister on the development of wind power projects in Vietnam: 9.8US Cents/kWh (for offshore projects) and 8.5US Cents/kWh (for onshore projects).

Tra Vinh V1-3 Wind Power Plant

Tra Vinh V1-3 is a near-shore wind power project which is 100%-owned and developed by REE Corporation. On 24th April 2019, REE Corporation was granted the investment certificate by Tra Vinh Economic Zone Management to officially implement the project. In 1Q2020, the Project Management Team completed all required legal procedures, started the construction phase in 2Q2020 and brought the plant into commercial operation on 27th October 2021.

	Business results - TBW		
	2021	2020	
Commercial power output (mn kWh)	97	55	[75%]
Revenue	201	107	[88.5%]
Net Profit After Tax	125	-39	

Unit: bn VND



Location: Coastline, Truong Long Hoa Commune, Duyen Hai Town, Tra Vinh Province

Total area: **474 ha**

Generation capacity: **48 MW**

Electricity tariff: **9.8US Cents/kWh**

Commercial Operation Date: **27th October 2021**

2021 power generation output: **37.6 million kWh**

2021 generation revenue: **VND94 billion**

Phu Lac 1 Wind Power Plant

Location: **Lac Tri Village, Phu Lac Commune, Tuy Phong District, Binh Thuan Province**

Total area: **500 ha**

Generation capacity: **24 MW**

Electricity tariff: **8,5US Cents/kWh**

Commercial Operation Date: **September 2016**

2021 power generation output: **64.8 million kWh**

2021 generation revenue: **VND126 billion**

Phu Lac 2 Wind Power Plant

Location: **Lac Tri Village, Phu Lac Commune, Tuy Phong District, Binh Thuan Province**

Total area: **400 ha**

Generation capacity: **26 MW**

Electricity tariff: **8,5US Cents/kWh**

Commercial Operation Date: **29th October 2021**

2021 power generation output: **7.7 million kWh**

2021 generation revenue: **VND15 billion**

Loi Hai 2 Wind Power Plant

Location: **Lac Tri Village, Phu Lac Commune, Tuy Phong District, Binh Thuan Province**

Total area: **523 ha**

Generation capacity: **28.9 MW**

Electricity tariff: **8,5US Cents/kWh**

Commercial Operation Date: **30th October 2021**

2021 power generation output: **24.1 million kWh**

2021 generation revenue: **VND49 billion**



Water

In 2021, the majority of water treatment companies produced stable commercial volume whereas water distribution ones witnessed decreased commercial output.

Water distribution companies

› Their market demand plummeted, especially in corporate client segment, which resulted in a drop of 3% to 258 million cbm of total commercial water distribution volume;

› During the year, water distribution companies offered 100% tariff discounts to COVID-19 quarantine and treatment facilities, together with 10% tariff discounts for all clients in three (03) billing periods of 2021 following the Government's guidance.

Water treatment companies

› Their commercial volume was slightly up by 0.9% and their turnover rose by 2.2% relative to 2020 thanks to offtake agreements of B.O.O Thu Duc Water JSC, Saigon Clean Water Business and Investment JSC (SWIC) and Tan Hiep Clean Water Investment JSC (THW);

› Their operating margins rose thanks to better control of operating expenses.

WATER DISTRIBUTION			
Commercial Output (cbm mn)	258	266	[-3.0%]
Revenue	2,656	2,650	[0.2%]
Net Profit After Tax	99	103	[-3.5%]

WATER TREATMENT			
Commercial Output (cbm mn)	418	414	[0.9%]
Revenue	1,833	1,794	[2.2%]
Net Profit After Tax	735	690	[6.5%]

Unit: bn VND

Also in this year, REE Water acquired 65% stake in TK Plus Company Limited:

› TK Plus's 2021 turnover grew by 64.6% compared with 2020 and its net profit after tax rose by 32.6% over the previous year, reached VND113 billion and VND20 billion respectively;

› Operating margins slightly fell due to increased market competition as well as equipment and material supply bottleneck stemmed from COVID-19 pandemic.

TK PLUS			
Revenue	113	68	[64.6%]
Net Profit After Tax	20	15	[32.6%]

REE WATER			
Revenue	92	-	
Net Profit After Tax	274	259	[5.6%]

Unit: bn VND

TK Plus Company Limited (TK Plus)

TK Plus is an enterprise offering technical consultancy and renovation – construction services for water treatment and distribution plants in Vietnam. Established in 2016, TK Plus provided its services to a variety of water plants across Vietnam, typically:

- › Phan Rang – Thap Cham Water Plant in Ninh Thuan Province (Capacity: 90,000 cbm/day)
- › Hung Vinh Water Plant in Nghe An Province (Capacity: 96,000 cbm/day)
- › Viet Tri Water Plant in Phu Tho Province (Capacity: 80,000 cbm/day)
- › Vo Canh Water Plant in Khanh Hoa Province (Capacity: 80,000 cbm/day)

Khanh Hoa Water Supply and Sewerage JSC (UPCOM: KHW)

KHW owns two (02) clean water plants: Vo Canh and Xuan Phong with total generation capacity of 120,000 cbm/day, which distribute clean water to Nha Trang City, Dien Khanh District, a part of Cam Lam District and Khanh Son District in Khanh Hoa Province.

Water Treatment

Thu Duc Water Supply Company (HOSE: TDW)

› TDW is one of the first Vietnamese water distribution units being equitized, with key businesses including managing, constructing, renovating and developing water supply networks in District 2, District 9 and Thu Duc City (HCMC).

› In 2021, its commercial water distribution volume was 97.3 million cbm and its non-revenue water rate was 14.2%

Nha Be Water Supply JSC (HNX: NBW)

› NBW supplies clean water in District 4, District 7 and Nha Be District (HCMC).

› In 2021, its commercial water distribution volume was 69.6 million cbm and its non-revenue water rate was 16.6%.

Gia Dinh Water Supply JSC (HNX: GDW)

› GDW mainly operates in the management, construction, renovation and development of water supply networks in Binh Thanh and Phu Nhuan District (HCMC).

› In 2021, its commercial water distribution volume was 51.5 million cbm and its non-revenue water rate was 15.8%.

Water distribution

Water Treatment & Distribution

Tan Hiep Water Investment JSC (THW)

THW owns Tan Hiep II Water Treatment Plant with a generation capacity of 300,000 cbm/day in HCMC. The plant started its commercial operation in early 2017 with the aim of supplying clean water to the West of HCMC. In 2021, Tan Hiep II Water Treatment Plant supplied 265,000 cbm/day on average to the citizens in HCMC.

Song Da Water Investment JSC (UPCOM: VCW)

VCW is the project developer of Song Da Water Treatment Plant in Hoa Binh Province. The plant started its commercial operation in April 2009, utilizes raw water sources of Da River and supplies clean water to the inner city of Hanoi. After completing and bringing Tay Mo Regulated Station into operation with a water pipeline of 6.4 km, its total production capacity reached 300,000 cbm/day.

Saigon Clean Water Business and Investment JSC (SWIC)

› SWIC owns Thu Duc III Water Treatment Plant with total production capacity of 300,000 cbm/day in HCMC with technology know-how and equipment provided by Germany-based contractor Passavant-Roediger.

› The plant started its commercial operation in late 2015 and reached its current generation capacity of 300,000 cbm/day in 2017.

B.O.O Thu Duc Water JSC (B.O.O Thu Duc)

B.O.O Thu Duc owns B.O.O Thu Duc Water Treatment Plant with total production capacity of 300,000 cbm/day in HCMC. The plant started its commercial operation in 2009 and supplies clean water to the citizens in District 2, District 7, District 9, Nha Be District and Thu Duc City (HCMC).

BUSINESS PLAN 2022

M&E Services

M&E Services business plan 2022

	2022	2021	
Value of new order	5,000	3,757	[33.1%]
Revenue	3,930	1,816	[116.3%]
Net Profit After Tax	214	98	[118.9%]

Unit: bn VND

In 2022, easing nationwide pandemic situation is expected to facilitate the recovery of the construction, real estate and public infrastructure markets.

› The condominium market in major cities and the public sector are our two key segments with the market share reaching 10% and 60% respectively. In 2022, they are forecasted to slightly increase up to VND10,500 and VND3,000 billion in value terms. We set ourselves the goal of further sharpening our

competitive edge and market shares in these two strategic markets.

› With regard to EPC services for solar PV power projects, our member companies will strive to bid their services to a wider range of potential solar PV projects.

› Our air-conditioner business is anticipated to encounter more severe market competition in terms of technology, pricing and promotions. Maintaining market shares remains our top priority by further expanding nationwide distribution channels and developing online sale channels on e-commerce platforms.

› Global equipment, material and fuel prices are projected to trace an upward trajectory in 2022 given global supply chain disruptions and geopolitical tension, which will impact on the profit margins of our M&E services to a certain extent.

In 2022, M&E services plan to achieve VND5,000 billion in total value of new orders. Its revenue and net profit after tax are projected at VND3,930 billion and VND214 billion respectively.

Properties

Office Leasing

Office Leasing business plan 2022

	2022	2021	
Average occupancy level (%)	99	98.5	[0.5%]
Revenue	1,026	932	[10.1%]
Net Profit After Tax	500	461	[8.6%]

Unit: bn VND

› Overseas enterprises firmly retain their viewpoints on Vietnam as a long-term attractive and potential market hub, therefore their new office demand as well as office expansion demand of existing local and FDI businesses will continue to drive market demand and occupancy rates upward.

› Grade A and B office markets in major cities are forecasted to strongly rebound following the economic recovery.

› Office rents in HCMC are projected to slightly increase in 2022. In the meantime, the supply of HCMC office market will record an addition of 40,000 sqm of Grade B office spaces.

REE Group targets to maintain our occupancy rates over 99% as well as constantly uplift the quality of facilities and supporting services to sharpen our competitive edge.

Real Estate Development

› REE Land will further expand its land bank for new project development as well as acquire potential medium-to-large scale residential projects with strong legal profiles and located in HCMC or surrounding provinces.

› Regarding our ongoing residential project at Phu Hoi commune (Nhon Trach, Dong Nai), REE Land will continue to coordinate with SaigonRes to complete the required legal procedures, aiming to commence the construction phase in 2022. The project will be taken to market with flexible payment schedules and attractive discount schemes.

Real Estate Development business plan 2022

	2022	2021	
Revenue	-	7	
Net Profit After Tax	50	169	[-70.4%]

Unit: bn VND





Energy

The National Power Development Plan for the period 2021 – 2030, with a vision to 2045 (PDP VIII) is in the revision and review progress by the MOIT and the Politburo. The power source planning in PDP VIII is expected to:

- › Firm up each region’s power autonomy to facilitate their power self-sufficiency and lessen the cross-region transmission load.
- › Place a higher priority on renewable energy sources following our Net Zero Carbon Emission by 2050 commitment at 2021 United Nations Climate Change conference (COP26) and the Politburo’s Resolution 55-NQ/TW on the Orientation of the Viet Nam’s National Energy Development Strategy.
- › Adopt a new price mechanism (potentially bidding mechanism) for utility-scale renewable energy projects. In respect of transitory projects, including wind power projects failing to enter into commercial operation prior to 31st October 2021, their applicable electricity tariffs are expected to be identified with the price negotiation mechanism.

In hindsight, robustly scaling up asset portfolio and renewable energy capacity is a crucial target of REE Energy. The company will add 100 MW of new projects to its asset portfolio in 2022.

Energy business plan 2022

	2022	2021	
Revenue	4,138	2,963	[39.6%]
Net Profit After Tax	1,024	873	[17.3%]

Unit: bn VND

In C&I solar industry, our REESE will:

- › Continue to pursue new rooftop solar project development focused on selling generated power output to self-consumption corporate clients on the spot. Its target clients remain highly reputable enterprises having possession of manufacturing facilities with high roof quality and situated at high solar irradiance locations.
- › Expand to electricity retail distribution in various industrial parks by partnering with an array of industrial zone developers.
- › Scale up its total installed capacity by an addition of 100 MWp in 2022.
- › Run safely and effectively its existing operational projects.

Water

› REE Water envisions to be at the forefront of clean water and environment businesses with its operations spanning across Vietnam.

› With respect to clean water, REE Water concentrates on M&A opportunities to acquire private water treatment and distribution plants in an attempt to scale up its asset portfolio.

› With respect to sewage treatment, REE Water will persist in following up the latest investment policies pertinent to new wastewater treatment plant development in HCMC.

› With respect to the environment business, REE Water will closely follow up waste-to-energy projects in major cities with a processing capacity of over 2,000 tonnes of solid waste per day. The company will also acquire a deep understanding of most advanced waste treatment technologies for future application.





Water business plan 2022

	2022	2021	
Revenue	154	92	[66.8%]
Net Profit After Tax	307	274	[12.1%]

Unit: bn VND



BUSINESS PLAN 2022 (CONTINUED)

	Revenue (+59.2% relative to 2020)	Net Profit After Tax (+11.1% relative to 2020)
	9,247	2,061^(*)
 M&E Services	3,930 (+116.3% relative to 2021)	214 (+118.9% relative to 2021)
 Properties	1,026 (+9.3% relative to 2021)	550 (-12.6% relative to 2021)
 Energy	4,138 (+39.6% relative to 2021)	1,024 (+17.3% relative to 2021)
 Water	154 (+66.8% relative to 2021)	307 (+12.1% relative to 2021)

(*) including net other income unallocated by business segments (VND34 billion)

Unit: bn VND

» Committed to sustainable revenue and profits growth

» Committed to achieving min. ROE of 15% per annum

CORPORATE GOVERNANCE

Corporate Governance Overview

The Group's corporate governance is managed by The General Meeting of Shareholders, Board of Directors, Audit Committee, Board of Management and is built upon risk management principles following relevant laws and regulations applicable for our Group.

General Meeting of Shareholders

General Meeting of Shareholders is the highest authority of the Group comprising all shareholders with voting rights. The Group shall in each year hold an Annual General Meeting within four months from the end of fiscal year. The Annual General Meeting shall approve matters pursuant to the laws and the Company's Charter, particularly the strategy direction of the Group, annual financial reports and financial budget for the next fiscal year. Independent auditors are invited to attend Annual General Meetings to review and verify annual financial reports.

Extraordinary General Meetings of Shareholders may be held upon the request of the Board of Directors in accordance with the provisions of laws and the Corporate Charter.

Board of Directors

The Board of Directors is currently comprised of seven (07) directors: Chairwoman, two (02) executive members, two (02) non-executive members and two (02) independent members.

Member	Title
Mrs. Nguyen Thi Mai Thanh	Chairwoman
Mr. Alain Xavier Cany	Non-executive Vice Chairman (appointed on 30th March 2021)
Mr. Stephen Patrick Gore	Non-executive Director
Mr. Huynh Thanh Hai	Executive Director (appointed on 30th March 2021)
Mr. Nguyen Ngoc Thai Binh	Executive Director
Mr. Dang Hong Tan	Independent Director
Mr. Do Le Hung	Independent Director (appointed on 30th March 2021)

The Board discusses the aspects relating to the Group's strategic direction, business plan, dividend policy and other important corporate matters. The Board holds quarterly meetings to evaluate the Group's performance and decides on matters reserved for the Board. Extraordinary board meetings are held upon request.

The Board receives prompt, accurate and updated business performance information before the meetings. The aforementioned information is prepared by the Management of the Parent Company and its member companies and archived by the Secretary of the Board. The Board of Management is responsible for the implementation of the Board's approved resolutions.



Audit Committee

The Audit Committee reports directly to the Board of Directors and is comprised of three (03) members. The Audit Committee is responsible for the supervision of the internal control systems, the accuracy and reliability of financial reports and financial information and compliance with relevant laws and regulations at the Parent Company and member companies; with the purpose of identifying irregularities, weaknesses and any possible frauds of the Management team and safeguarding the Group assets. The Audit Committee presents specialized, operational or quarterly reports and proposes plans for corrective actions and improvements at the quarterly meetings of the Board of Directors.

Member	Title
Mr. Do Le Hung	Head (appointed on 7th April 2021)
Mr. Dang Hong Tan	Member
Mr. Stephen Patrick Gore	Member

Board of Management

REE Group includes the Parent Company and its member companies. The Board of Management of the Parent Company is responsible for the management of the parent company's businesses and oversight of member companies' operations. The authorities of the Board of Management are clearly defined. The Board of Management is comprised of the General Director and two Deputy General Directors.

Monthly meetings are organized with the participation of the Board of Management and the Management team of each member company for periodic performance review and deliberation on important matters of the business. Members of the Group's Audit Committee and Accounting Department will also attend these monthly meetings to review the relevant matters.

Member	Title
Mr. Huynh Thanh Hai	General Director
Mr. Nguyen Ngoc Thai Binh	Deputy General Director
Mr. Nguyen Quang Quyen	Deputy General Director

Board of Directors

Board Composition

The Board of Directors of 2018 – 2022 term is comprised of seven (07) directors: Chairwoman, two (02) executive members, two (02) non-executive members and two (02) independent members.

Member	Title	Ownership of voting right*
Mrs. Nguyen Thi Mai Thanh	Chairwoman	12.20% Ownership: 37,711,925 shares
Mr. Alain Xavier Cany	Non-executive Vice Chairman	31.04% Ownership: Nil. Representative of Platinum Victory Pte. Ltd: 95,944,028 shares
Mr. Stephen Patrick Gore	Non-executive Director	0% Ownership: Nil.
Mr. Huynh Thanh Hai	Executive Director	0.03% Ownership: 98,462 shares
Mr. Nguyen Ngoc Thai Binh	Executive Director	1.96% Ownership: 6,057,040 shares
Mr. Dang Hong Tan	Independent Director	0% Ownership: Nil.
Mr. Do Le Hung	Independent Director	0% Ownership: Nil.

(*) Number of shares owned as at 31 December 2021

Brief Profiles of the Board of Directors including their other current positions are presented in Management Team – Board of Directors – page 168 of this Annual Report.

Board Committees

There are three Board Committees:

Committee	Head
Development Strategy Committee	Mrs. Nguyen Thi Mai Thanh
Remuneration Committee	Mr. Alain Xavier Cany
Audit Committee	Mr. Dang Hong Tan

Activities of Board of Directors

Meetings of Board of Directors

The Board of Directors holds quarterly meetings to evaluate the Group's performance and discuss matters related to strategic direction, business plan, dividend policy and other important corporate matters. Extraordinary board meetings are held upon request.

In 2021, the Board held four (04) meetings. The Board members either participated or delegated other Board members to attend and vote at the meetings. Participation record is as follows:



Member	Title	Meeting Attendance	Ratio
Mrs. Nguyen Thi Mai Thanh	Chairwoman	4/4	100%
Mr. Alain Xavier Cany (*)	Vice Chairman	3/3	100%
Mr. Stephen Patrick Gore	Director	4/4	100%
Mr. Huynh Thanh Hai (*)	Director	3/3	100%
Mr. Nguyen Ngoc Thai Binh	Director	4/4	100%
Mr. Dang Hong Tan	Director	4/4	100%
Mr. Do Le Hung (*)	Director	3/3	100%

(*) Appointed on 30th March 2021

Agenda of Board of Directors' Meetings

Meeting	Board Attendance	Agenda
29/01/2021	5/5	Quarter 4/2020 and full-year 2020 performance reporting Market and Group business performance updates Approval of 2021 business plan
05/05/2021	7/7	Quarter 1/2021 performance reporting Market and Group business performance updates Approval of Quarter 2/2021 business plan
04/08/2021	7/7	Quarter 2/2021 and 1H2021 performance reporting Market and Group business performance updates Approval of 2H2021 business plan
29/10/2021	7/7	Quarter 3/2021 and 9M2021 performance reporting Market and Group business performance updates Approval of Quarter 4/2021 business plan

List of Resolutions and Minutes of Meeting of the Board of Directors in 2021

Resolution/Minutes of Meeting	Date of issue	Content
02/2021/BB-HDQT	29/01/2021	Approval of Quarter 4/2020 Board meeting's matters
03/2021/NQ-HDQT	1/2/2021	Approval of schedule for 2020 Annual General Meeting
04/2021/QĐ-HDQT	1/3/2021	Approval of change in legal representative of REE Land Company Limited
05/2021/QĐ-HDQT	4/3/2021	Approval of re-appointing Mr. Pham Quoc Thang as Deputy General Director of REE
07/2021/QĐ-HDQT	24/03/2021	Issuing the regulations relating to Redeemable Preferred Shares – optional program applicable for the employees of R.E.E Mechanical & Electrical Engineering JSC
08/2021/NQ-HDQT	7/4/2021	Approval of the establishment and restructuring of the Board Committees and the appointment of Committee members
09/2021/BB-HDQT	12/4/2021	Approval of change in legal representative of REE Energy Company Limited
10/2021/BB-HDQT	5/5/2021	Approval of Quarter 1/2021 Board meeting's matters
11/2021/BB-HDQT	14/05/2021	Approval of Parent Guarantee for TBW-IFC Loan Agreement
16/2021/BB-HDQT	4/8/2021	Approval of Quarter 2/2021 Board meeting's matters
17/2021/QĐ-HDQT	4/8/2021	Approval of share transfer of VIID
19/2021/QĐ-HDQT	15/10/2021	Approval of change in the Chairman of REE Property
20/2021/BB-HDQT	29/10/2021	Approval of Quarter 3/2021 Board meeting's matters

Activities of Independent Directors and Board Committees

The Board Committees function in accordance with the responsibilities and duties defined in the Company's Charter and Regulations on Corporate Governance. The Committees prepare their working agenda and attend the Board of Directors' meetings.

The Development Strategy Committee is responsible for building business strategic direction, the Remuneration Committee is responsible for setting up remuneration policy of the Board of Directors, proposing bonus schemes for the Board of Management and key employees and advising the Board on the Group's compensation framework, share bonus issuance and Employee Share Ownership Plan (ESOP) for the Group's key employees.

The Audit Committee is responsible for evaluating the Group's financial performance and setting up an internal control team to ensure the effectiveness in executing the Group's business objectives relating to business operation results, integrity of financial reporting and compliance with applicable laws and regulations.

The non-executive and independent members of the Board of Directors undertake the roles in the Remuneration Committee and Audit Committee stands to support the independence and integrity of the matters under the domains of these Committees.

List of Board of Director Members with Corporate Governance related Certifications

- › Mrs. Nguyen Thi Mai Thanh
- › Mr. Alain Xavier Cany
- › Mr. Stephen Patrick Gore
- › Mr. Huynh Thanh Hai
- › Mr. Nguyen Ngoc Thai Binh
- › Mr. Dang Hong Tan
- › Mr. Do Le Hung

Audit Committee

Committee Composition

Member	Title
Mr. Do Le Hung	Head (appointed on 7th April 2021)
Mr. Dang Hong Tan	Member
Mr. Stephen Patrick Gore	Member



The Basis for Activities of the Audit Committee

Pursuant to prevailing regulations (Law on Enterprises 2020, Law on Securities 2019, Decree 155/2020/NĐ-CP dated 31/12/2020 on Guidelines for some articles of Law on Securities), Board of Directors approved new regulation updates governing activities of Audit Committee in accordance with the Company's Charter.

Audit Committee's Meetings

Member	Title	Meeting Attendance	Ratio
Mr. Do Le Hung (appointed on 7th April 2021)	Head	3/3	100%
Mr. Dang Hong Tan	Member	4/4	100%
Mr. Stephen Patrick Gore	Member	4/4	100%

Supervisory activities on Board of Directors and Board of Management conducted by Audit Committee

- › Audit Committee supervises the resolution approving activities of Board of Directors through their meetings, deliberations and practices, supervises the activities of Board of Management through their compliance with the resolutions issued by Board of Directors and supervises the delegation of powers and duties between Board of Directors and General Director.
- › Supervisory activities of Audit Committee are conducted via the reporting and correspondence with Chief Accountant, Head of Internal Audit, Head of Internal Control and Risk Management, Head of Legal and Independent Auditors.
- › Audit Committee ensures their productive coordination with the Members of Board of Directors, the Board of Management and relevant personnels.
- › Audit Committee periodically reports their activities to Board of Directors.

The results of supervisory activities of Audit Committee

Audit Committee Financial

- › Audit Committee approved 2021 Audited Financial Statements of the Group. 2021 Audited Financial Statements were prepared and presented in accordance with Vietnam Accounting Standards (VAS). We recognized no material errors which could be able to impair the reliability of financial statements.
- › Supervisory processes discovered no unusual fluctuations in any material asset and financial result item. Accounting policies and principles underlying accounting provisions were maintained and had no significant changes.
- › Transactions with related parties were strictly controlled and complied with prevailing regulations, the Company's Charter and regulations. There were no material matters discovered.
- › Concerns and inquiries from Audit Committee were fully addressed by the Board of Management and Independent Auditors.
- › The Group completed its legal restructuring and is currently restructuring its business operations to optimize business performance efficiency and effectiveness. Audit Committee recognized that the Group is planning to review and improve its accounting system for better management control.

Internal Control and Risk Management System

- › Audit Committee assessed that Internal Control and Risk Management activities were conducted at basic level. Operational procedures were issued to member companies of the Group, material risks (relating to legal, financial or operational matters, etc.) were identified, followed up and closely managed; therefore, material risks were promptly discovered, appropriately evaluated and properly resolved. Internal Control and Risk Management team positively contributed to the control acts on group-wide businesses activities.
- › COVID-19 related risks have been strictly managed by applying the effective measures for business operations and the employee's safety and health.
- › Pandemic related risks significantly impacted to the majority of businesses, especially M&E services in the past year, and exerted an adverse influence on the Group's financial performance. In such context, the Group prioritized taking appropriate actions to control relevant risks.
- › With respect to Business Transformation Project, Audit Committee recognized that the Group revised and updated its Internal Control and Risk Management framework including the relevant policies, approaches and procedures.

Internal Audit

- › Internal Audit plays an important role in corporate governance and has been organized following the prevailing regulations and widely accepted practices.
- › Internal Audit was established and started to operate in July 2021. Apart from their internal audit related scope of work, they were assigned to take charge of co-ordinating Business Transformation Project to support and comprehensively improve Internal Control and Risk Management system.
- › Audit Committee assessed that Internal Audit team completed their assignments in 2021 business plan.

Legal Compliance Matters

- › The Legal team of the Group address legal concerns for each member company, frequently follow-up and update the relevant laws and regulations relating to corporate governance and industry regulations, as well as evaluate the legal risks of relevant policies and the specific matters to make appropriate recommendations ensuring the Group's legal compliance.

Evaluation on the Quality and Results of Independent Auditors

- › Audit Committee assessed that Ernst & Young Vietnam fulfilled their responsibility and duties pursuant to the audit contract signed with REE Group, met the expectations of Audit Committee on the criteria relating to: reliability, honesty and the quality of financial statements; compliance with required audit deadline; compliance with codes of professional ethics, guarantee of the independence and neutrality when making the auditor's opinion.



Transactions, Remuneration and Interests of the Board of Directors and Management

Salary, Bonus, Remuneration and Other Interests

Board of Directors

Member	Title	Salary	Bonus	Remuneration	Total
Ms Nguyen Thi Mai Thanh	Chairwoman	-	-	100%	100%
Mr. Alain Xavier Cany	Vice Chairman	-	-	100%	100%
Mr. Stephen Patrick Gore	Director	-	-	100%	100%
Mr. Huynh Thanh Hai	Director	78%	15%	7%	100%
Mr. Nguyen Ngoc Thai Binh	Director	57%	29%	14%	100%
Mr. Dang Hong Tan	Director	-	-	100%	100%
Mr. Do Le Hung	Director	-	-	100%	100%

Board of Management

Member	Title	Salary	Bonus	Remuneration	Total
Mr. Huynh Thanh Hai	General Director	78%	15%	7%	100%
Mr. Nguyen Ngoc Thai Binh	Deputy General Director	57%	29%	14%	100%
Mr. Nguyen Quang Quyen	Deputy General Director	63%	37%	-	100%

The remuneration of the Boards of Directors in 2021 was VND7,040,000,000.
Salaries and bonuses paid to the Management in 2021 was VND12,556,742,220.

Transactions of Major Shareholders, Internal Shareholders and Related Persons in 2021

No.	Name	Relationship with Internal Shareholders	Number of Shares at the beginning of the year		Number of Shares at the end of the year		Reason
			Number of Shares	%	Number of Shares	%	
1	Platinum Victory Pte. Ltd	Related parties to Mr. Alain Xavier Cany – Vice Chairman of the Board of Directors	92,355,038	29.88%	95,944,028	31.04%	Ownership increase

Contracts or Transactions with Internal Shareholders

In 2021, REE has no contracts or transactions with internal shareholders including members of the Board of Directors, the General Director, the Management and any of their related person(s).

Implementation of Regulations on Corporate Governance

REE constantly strives to abide by current laws and regulations on corporate governance and information disclosures, including:

- › Law on Enterprises 2020;
- › Law on Securities 2019;
- › Decree 155/2020/NĐ-CP dated 31/12/2020 on Guidelines for some article of Law on Securities; and
- › Circular 96/2020/TT-BTC on information disclosure on stock market.

Concurrently, REE also defines these provisions in the Group businesses through its internal regulations such as:

- › Company Charter (supplemented and amended for the 13th time on 30 March 2021); and
- › Internal Regulation on Corporate Governance.

In 2021, REE complied with corporate governance regulations; adequately and timely implemented information disclosure of business activities to shareholders, government authorities and stakeholders on the basis of transparency, accuracy and timeliness.

In addition, REE has also applied measures to improve the governance performance, specifically as follows:

- › Managing the Company's operations adopting best practices in management and improving corporate governance quality toward international standard through applying principles of the Organization for Economic Co-operation and Development (OECD) and ASEAN Corporate Governance Scorecard including 5 primary aspects as follows:

- › The rights of shareholders;
- › Equitable treatment among shareholders;
- › Interests and roles of stakeholders;
- › Disclosure and transparency; and
- › Responsibilities of the Board.

- › Non-executive and independent members of the Board of Directors undertake the roles on the Remuneration Committee and Audit Committee under Board of Directors and hold separately scheduled meetings in order to support the independence and integrity.

- › Fighting corruption and enhancing transparency in the selection of suppliers and contractors.

- › Developing information channels and facilitating stakeholders' access to published information via websites of State Securities Commission (SSC), Ho Chi Minh City Stock Exchange (HOSE), and the company at: www.reecorp.com.

- › Focused on building the relationships with shareholders and investors, customers and business partners to make prompt, transparent and frequent company information disclosures by conducting meetings and dialogues with stakeholders, organizing and participating in an array of conferences, fairs and exhibitions.

Ethics and Integrity

Upholding integrity is an important criterion in REE Group's Quality Assurance. Our internal policies and regulations require all employees to adhere to the highest standards of integrity and transparency in their relationships with colleagues, customers, partners, suppliers and the community at large.

In addition, the Group also widely encourages our suppliers to fully comply with REE Group's transparency related policies to prevent acts of corruption, fraud or bribery.

In 2021, there are no breaches of integrity and transparency-related policies and regulations of our Group.





03

SUSTAINABILITY REPORT

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➤ Sustainable Development Activities	215
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➤ GRI - G4 Disclosure and Content Index	226

SUSTAINABILITY MESSAGE FROM OUR CHAIRWOMAN

Dear our valued Shareholders, Investors and Partners,

Vietnam's commitments at the United Nations Climate Change conference (COP26) at the end of this year reflected our national level determination of sustainable economic growth – associating socio-economic development with green tech and initiatives, in a mutual attempt of preventing above 1.5 Celsius degree warming with over 150 countries at Glasgow Climate Pact. As one of the corporations with integrated sustainability business activities over the past years, we will make best efforts whilst engaging in our nation's journey to realize Net Zero Carbon Emission commitment by 2050.

On top of that, ESG principles with three key pillars: Environment – Society – Corporate Governance in this day and age become comprehensive evaluation principles on any corporation. At REE Group, we are sticklers for ESG embedded business decision making process, not only in the light of the most competitive, persuasive and long-term success is the one attached to sustainable development, but also on the grounds that integrating ESG principles into our businesses enables us ceaselessly innovative and agile in problem-solving. This consequently helps us to constantly keep abreast of latest market developments.

Over the past year, REE Group persists in making business decisions taking into consideration of ESG principles, noticeably:

- › In the Energy segment, REE Group significantly scaled down our footprint in coal thermal plants, following the Global Coal to Clean Power Transition Statement – one of the six initiatives committed by Vietnam at COP26. In 2021, we reduced our equity stake in Quang Ninh Thermal Power JSC (UPCOM: QTP) from 8.04% to 0.98% and we expect to divest remaining ownership in the upcoming time. Besides, we constantly pursue renewable energy – heading towards adopting clean energy to our national economy. In 2021, REE Group successfully brought three wind power projects with a total installed capacity of 102 MW into commercial operation, which accelerates a greater proportion of green power to nationwide electricity generation output. With respect to rooftop solar projects, 93 MWp was installed and has contributed to green energy consumption of multiple enterprises;
- › In M&E services, REE Group constantly consults our clients about M&E systems satisfying LEED Gold and Platinum standards, typically energy and water saving coupled with applying eco-friendly initiatives.
- › In the Properties segment, REE Group ensures our new office buildings satisfying the standards of LEED Gold and above on the grounds of energy

saving and offering high-quality workspace to our clients. Key instances include our e.town Central office with LEED Gold and e.town 6 office expectedly with LEED Platinum by U.S. Green Building Council (USGBC), together with e.town 5 office with EDGE by SGS (World Bank) – meeting required criteria relating to over 30% energy saving, above 50% water saving, dwindling carbon emission and adopting eco-friendly materials.

Furthermore, REE Group attaches a great importance to building a professional workplace environment and optimizing employee benefits. We consistently engineer appropriate training courses for each hierarchy, offer competitive benefit and remuneration packages and enhance health-related benefits for our employees. Outstanding projects conducted all the year long included setting up salary structure and internal hierarchy project with Talentnet – Mercer, Management Workshop for mid-to-high management level and the launch of REEnergize Station exclusive for all Group employees.

With respect to corporate social responsibility, REE had an extra year of working shoulder to shoulder with the Government authorities and local community in the COVID-19 vaccination journey, making contributions to COVID-19 treatment facilities

and supporting the local community via a range of multiple activities.

As one of the corporations ceaselessly integrating sustainability into our business guidelines, we much hope that our strong and practical activities will further inspire and spread out sustainable message to a wide array of enterprises and the community at large. Moreover, we are strongly committed to advocating sustainable spirit in all of our Group's activities in the years to come.



Nguyen Thi Mai Thanh
Chairwoman



OVERVIEW ABOUT SUSTAINABILITY REPORT

Corporate Information

Established since 1977, Refrigeration Electrical Engineering Corporation (“REE” or “Parent Company”) is a publicly-traded diversified business group operating under the Certificate of Business Registration No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City, registered first time on 29 December 1993 and amended for the 26th time on 3 August 2020. REE is listed on the Ho Chi Minh City Stock Exchange under License No. 01/GPPH dated 02/06/2000 issued by the State Securities Commission of Vietnam.

REE and its member companies (collectively “REE Group”) operates in the fields of refrigeration Mechanical and Electrical Engineering Services (M&E services), Properties, Energy and Water.

REE’s head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City. REE and its member companies operate our businesses across Vietnam.

Association and organization memberships:

- › Vietnam’s Association of Construction Contractors (VACC)
- › Vietnam Green Building Council (VGBC)
- › U.S. Green Building Council (USGBC)
- › • Saigon Businessmen Club

Report Overview

Scope of the Report

Sustainability Report is prepared on an annual basis and integrated into the Annual Report for the purpose of presenting our Group’s integrated sustainability strategies; evaluating the impacts, risks and business opportunities relating to environment, society and corporate governance; as well as economic aspects of our business activities.

This Report is issued for the financial year 2021, from 1 January 2021 to 31 December 2021 and is prepared in line with the “In Accordance – Core” option as outlined in the G4 Sustainability Report Guidelines issued by Global Reporting Initiative (GRI).

This Report covers our business activities in mechanical and electrical engineering services (M&E services), properties, energy and water.



Report’s Information Assurance

The Group refers to and applies local and international standards in our information and data disclosure during the course of report preparation. The information and data collection are cross-checked and verified with internal departments, management team, the internal control and risk management department to ensure data accuracy. In addition, our financial results are audited by Ernst & Young Vietnam to assure the reliability of the report.

Sustainability Framework

To REE, sustainable development is associated with business operations on three pillars: economic development, environmental protection and corporate social responsibility. These are crucial aspects in our Group’s corporate strategy. REE Group holds a firm belief that our acquisition of sustainable development is made only when we could be able to balance between economic growth and the best interests of stakeholders, including shareholders and investors, customers, business partners, the Government authorities, employees and the community at large.



Economic Growth

Engineering a sustainable economic structure for our businesses: mechanical and electrical engineering services (M&E services), properties, energy and water.

Expanding market share and scaling up asset portfolio, further enhancing corporate governance and business operation, gearing up resources for sustainable growth.

Sustainably growing revenue and profits. Ensuring the delivery of return on equity (ROE) reaching at least 15% per annum.



Environmental Protection

Improving product and service quality, applying green, state-of-the-art and eco-friendly technology to our business activities to provide best-in-class products and services to our customer portfolio.

Efficiently using energy and water.

Promoting energy-saving and environmental protection related awareness to our employees; consulting and directing customers towards the adoption of eco-friendly and energy efficient solutions.



Corporate Social Responsibility

Carrying out and promoting our corporate social responsibility activities, enhancing the skills and knowhow of the young labor workforce.

Constantly sharing with our community and society.

Developing our talents by adopting policies fostering a professional workplace environment, enhancing employee benefits, promoting talent identification and development programs in an attempt of unleashing potentials and optimizing capability of our employees.



SUSTAINABLE



Stakeholder's Engagement

REE Group prioritizes listening to and acting on constructive feedbacks of our stakeholders – the organizations and individuals impacted by our business activities to various extents, comprising shareholders, investors, customers, business partners, the Government authorities, employees and the community at large. Our understanding and acknowledgment of stakeholder's constructive feedback holds an important role in the preparation of this Report as well as our group-wide strategic decision making and execution processes.

Stakeholder	Our goals	Approach Methods	Frequency
Shareholders & Investors	Create the highest values for our shareholders	Investors' direct meetings	
	Assure equitable treatment among shareholders	General meeting of shareholders	Annual
	Commit to transparency in the appropriate disclosures of the Company's operations	Local and international investors' conferences	Semi annual
Customers	Actively engage in promoting dialogues with investors	Websites	
	Provide our customers with products of high quality, reliability and durability	Direct meetings	Frequent
	Improve quality of customer and after-sales services	Customer service center, technical consulting, warranty and maintenance	
Business Partners	Listen to customers' demands and strengthen our technical expertise to serve them in the best way possible	Exhibitions, fairs, conferences	
	Maintain and develop long-lasting relationships	Websites	
	Respect mutual benefits between business partners	Direct meetings	Frequent
Government Authorities	Develop together and create quality products for society	Exhibitions, fairs, conferences	
	Fulfill statutory obligations to the Government	Websites	
	Compliance with laws and regulations	Participate in conferences held by the Government and relevant authorities	Frequent
Employees	Transparent information disclosure in a timely manner		
	Recognize the contribution of employees	Workshops, training programs	Frequent
	Create favorable working environments and ensure benefits for employees	Team building, sports, music events...	Annual
Community & Society	Develop human resources through programs to identify and foster talents	Employees' satisfaction survey	Annual
	Develop human resources through programs to identify and foster talents	Organize charitable activities, supporting the community	Frequent
	Carry out corporate social responsibility activities in enhancing the skills and know-how of the young workforce	Participate in fundraising events for the community, environmental protection	Frequent
	Having the passion and sharing material gains with the community and society	Participate in charity organizations	Frequent

SUSTAINABLE DEVELOPMENT ACTIVITIES

Talent Sustainability

At REE, our people are valued as the greatest asset and we embrace the idea that our success is highly correlated with our workforce quality. During the course of formulating a forward business blueprint, a keen focus is granted on constituting a people-centric growth strategy in an endeavor of acquiring a healthy and sustainable prospect.

We simultaneously devote ourselves to forge a professional workplace and an ideal working space with the aim of encouraging our employees to share their personal values, promoting teamwork spirit and facilitating peer-learning opportunities.

As a result, this year, REE was awarded one of the **Top 100 Best Places to Work in Vietnam and Top 50 Vietnamese Companies with Attractive Employer Brands.**



Top 100 Vietnam Best Places to Work awarded by Anphabe

Ranked **59** amongst Top 100 Vietnam Best Workplaces (2021)

Ranked **06** amongst Engineering/ Machinery/ Industrial Mechanics Sector

Top **50** Vietnamese Attractive Employer Brands



Talent Acquisition

Talent acquisition and management faced an array of competitions on account of pandemic situation in 2021 as there has been a sharp shift in workforce structure in numerous fields and recruiters' immense demand for talents in certain sectors – varying from digital transformation, energy and real estate.

Nonetheless, REE Group perceived such challenges as opportunities to acquire highly qualified candidates.

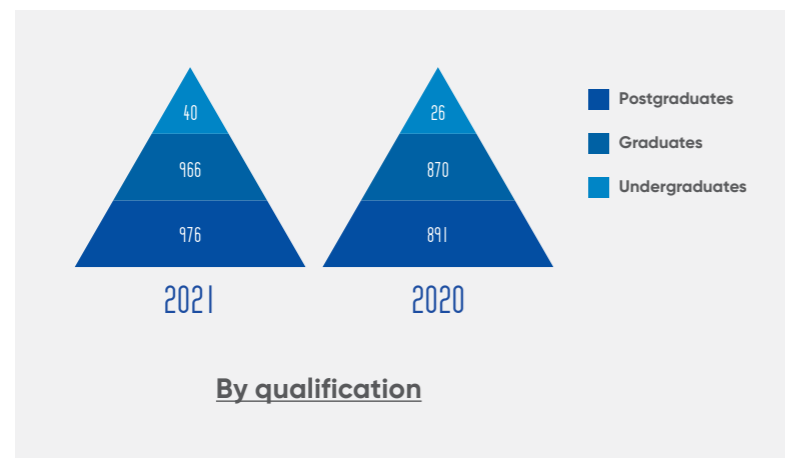
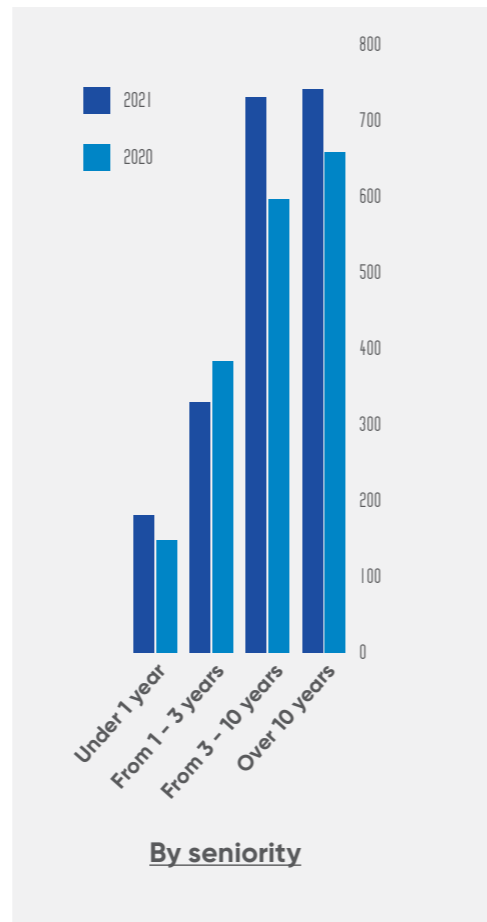
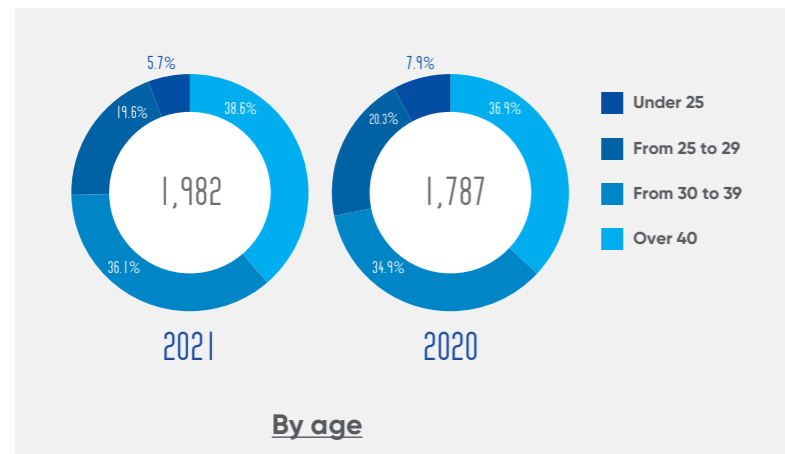
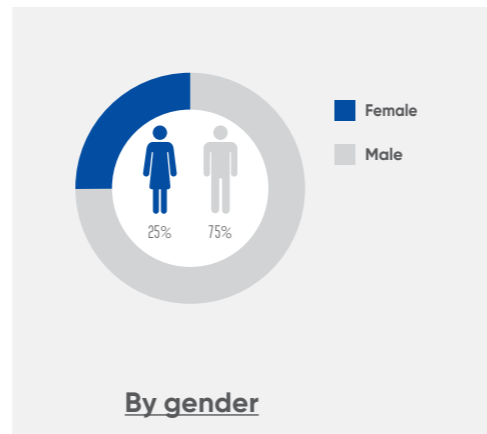
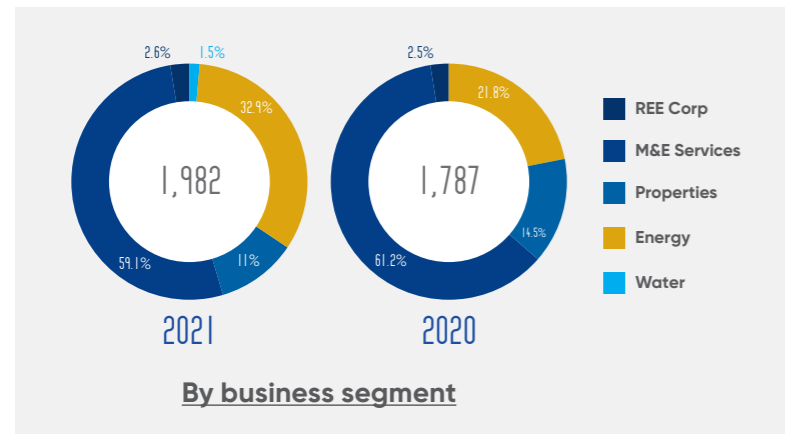


In 2021, the official recruitment page **REERecruitment** of REE Group was launched on LinkedIn with the purpose of updating in full details latest vacancies opening in the Group, as well as promoting team building and engagement activities so as to satisfy workplace preferences of young talents of current generation.



Talent Pool Briefing

Total headcounts of REE Group as of 31 December 2021 was 1,982 – up by 10.9% compared with 2020 total workforce of 1,787 employees. Energy and Water businesses are those witnessing a major increase – conspicuously the integration of 224 employees of Vinh Son – Song Hinh Hydropower JSC. On the contrary, M&E and Property segments processed a decline in their headcounts, notably a decrease of 63 employees in REE M&E throughout the year.



Talent Development

In 2021, we issued certain human resource procedures to facilitate the effective execution of training and development activities in the Group, including:

- 01 Personnel administration procedures:** Personnel administration procedures were built from the Group level and deployed in all business units to create professionalism, consistency and reduce risks related to people management at REE Group. The Group sets the targets of improving the effectiveness of internal communication, which thereby ensures released procedures to be widely understood and complied by all employees.
- 02 Training and development procedures:** Focused on collecting and identifying training demand, devising training plan, budget planning, implementing training courses and conducting post-training evaluation so as to ensure that REE employees possess appropriate qualifications and skills to productively perform their works.
- 03 Training Investment Agreement:** Focused on implementing Training Investment Agreements (TIAs) with employees selected for top-notch training programs. TIAs are adopted to align our investments in people with employees' contribution commitment through which the effectiveness of training and development activities is secured.
- 04 KPI-based performance management procedures:** A comprehensive KPI-based performance management, ranging from KPI setting, KPI mid-year and year-end evaluation is adopted as a powerful tool to more fairly and precisely evaluate our employees' performance delivery and input to compensation-related decision-making process.

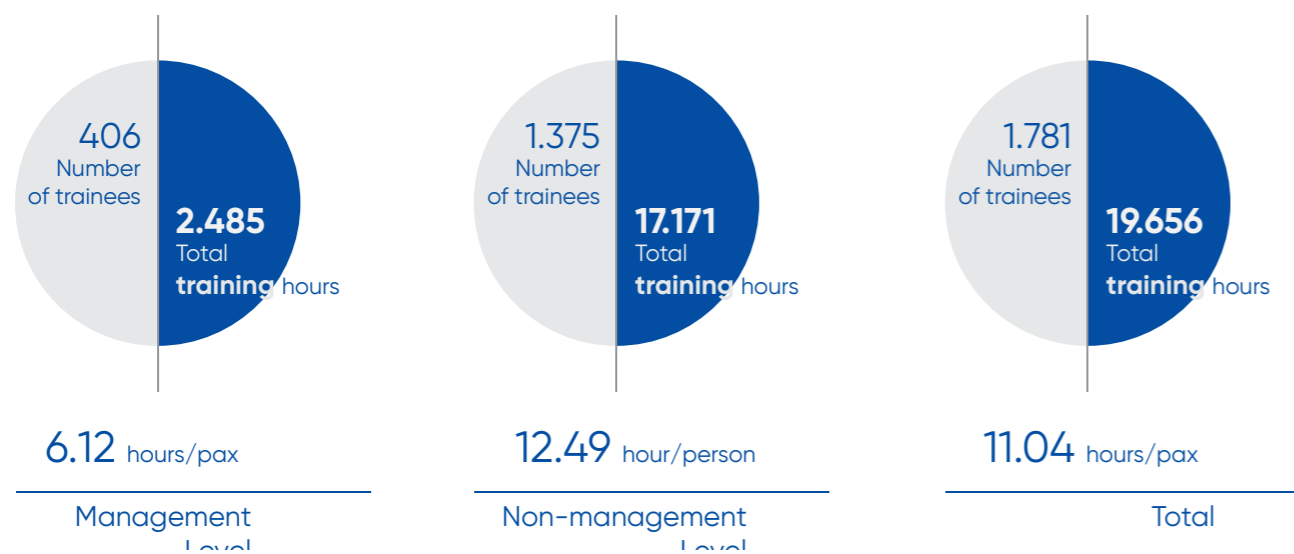
Learning and development activities are largely advocated group-wide with the key purpose of enhancing the productivity of our employees and facilitating their long-term growth. During the course of the pandemic raging intensely over the past year, training and development activities were prioritized in an attempt of taking advantage of such under-utilization time to recharge our talents' competences, preparing for their bouncing back in 2022. Comprehensive training programs were designed and offered to our employees on both online and offline platforms. Upskilling and reskilling courses were shortlisted and schemed out in accordance with business requirements and employees' scope of work.



Our First Management Workshop was held in April 2021



Throughout the year, we successfully organized 23 workshops engaging reputable keynote speakers and 11 internal training courses along with delegated our employees to engage in 35 online and offline training seminars. There were a total number of 1,781 trainees enrolling in a variety of training programs.



In 1Q2021, we conducted a group-wide survey upon which an Official Training Catalog was set down as an endorsed training and development manual capacitating management team to identify the skill requirements of their specific teams and thereby scheme out appropriate training programs. Proposing felicitous training activities suiting the aforementioned requisites was deemed greatly essential to fulfill the development needs of the Group, and therefore:

- › Ensure the delivery of high-quality performance of our employees
- › Offers development opportunities for the right people at the right time
- › Facilitate optimal use of our Group's resources and investment
- › Ensure our workforce to swiftly adapt to recent market fluctuations.

This year, we deployed a wide range of strategic human resource planning programs, noticeably the one discovering potential future leaders and delineating individual development plans for the forenamed prospective candidates to sharpen leadership and coaching skills for the successive generation.

On top of that, in 2Q2021, our first Management Workshop was held at REE Headquarter on 23rd April. The workshop aims to enhance business acumen and sharpen leadership skills of the top and middle management team. The keynote laid on in-depth discussions with each business unit of the Group, from which clear action plans were devised in accordance with the Group's forward business strategies.

Talent Benefits & Engagement Programs

Constructing salary structure and organizational hierarchy – A project partnered with Talentnet – Mercer

In 2021, REE collaborated with Talentnet – Mercer to conduct a project relating to setting up salary structure and organizational hierarchy for all business units of the Group. The project was successfully accomplished and offered a solid basis for the guarantee of internal equitableness and the facilitation of our offerings of competitive compensation packages compared with market peers. The project outcome will be applied in 2022 during our group-wide review of current compensation and benefits of all employees.

Upgrading health benefits for our talents

At REE, we place a great importance on health improvement and ceaselessly encourage our employees to build up and maintain daily sport habits.



In this year, REE upgraded the annual health check packages coupled with health and accident insurance benefits for all employees in 2021. Besides, we launched **REEnergize Station** – a gym exclusively for all employees of our Group. The gym was professionally set up with the purpose of creating the most comfortable fitness space for all employees. This is expected to unleash positive energy to support our employees to work better.

Setting up stunning engagement activities

To uphold and further develop spiritual values as well as promote solidarity of all employees, amidst intense COVID-19 situation, REE Group still attempted to organize a range of engagement activities such as Happy International Women's Day 8/3 event, Happy Vietnamese Women's Day 20/10 event, etc. whilst strictly following safety requirements.



Having said that, the pandemic created a lifetime opportunity for the REE team to be immensely creative in popping up ideas for the organization of the engagement activities for our employees. The keynote is Year-end Event 2021 event which was held via a novel and attractive virtual platform and carried the theme "**Converging the elite, rising to the new height**". As usual, this was the chance for our Group to together review our 2021 business performance, our Board of Management team to share the vision and action plan in 2022, together with honour individuals making outstanding contributions to the overall success of the Group and broadcast impressive entertainment activities of our employees.





Community supports in fighting against the pandemic

REE Group donated VND4.2 billion for our corporate social responsibility activities this year, amongst which there were VND3.7 billion-valued medical equipment and essential goods delivered to Military Hospital 175, Go Vap Hospital, the People's Committee of Tan Binh District and local people in HCMC.

Vaccination campaign for our stakeholders

Vaccination coverage has emerged as a vitally important aspect in 2H2021 as Vietnam witnessed another breakout with drastically surging infected cases.

In such context, REE Corporation contributed to vaccination coverage efforts of the Government by coordinating with the authorities to deliver a professional vaccination program providing over 16,000 doses for our employees and their beloved family, business partners (including the employees of our tenants) and local people in surrounding areas.



Environment

M&E Services

- › Applying ISO 9001:2015 quality management standard and being a member of Vietnam Green Building Council with the aim of ensuring our construction works to meet the highest technical standards as well as dwindling adverse impacts to our environment and human wellbeings.
- › Applying Building Information Model (BIM) and REVIT 3D to optimize construction works.
- › Consulting our customers about the design, construction and operation of smart buildings, adopting energy saving and eco-friendly materials.
- › Applying eco-friendly R410A and R32 gases and inverter technology in our aircon products.
- › Offering promotional schemes for our eco-friendly product line to attract customer demand for this segment.

Properties

- › Building new office towers such as e.town 5 following EDGE by SGS (World Bank) and e.town 6 following LEED Platinum with key criteria including up to 31% energy saving, up to 51% water saving, dwindling carbon emission and adopting eco-friendly materials.
- › Employing eco-friendly technology in our office construction and operation.

Lighting systems (accounted for 20 – 25% of power consumption)

- › Replacing inefficient lighting system (filament light bulbs, fluorescent lamps with magnetic ballasts) by energy-saving lighting system (compact fluorescent lamp with electric ballast, light-emitting diode LED).
- › Adopting automatic outdoor lighting system (at specific time, at specific natural light levels).
- › Conducting power supply shutdown at office area sectors after working hours.
- › Using temperature sensor-controlled systems which automatically switch lights on/off per usage needs in the new office buildings.

Air-conditioning systems (accounted for 40 – 60% of power consumption)

- › Conducting periodical maintenance of facilities and equipment.
- › Encouraging tenants to keep room temperature at 25 – 27 Celsius degree.
- › Shutting down air-conditioning systems at office area sectors after working hours.
- › Employing heat-resistant tempered glass and variable-speed centrifugal chiller control system which automatically adjusts power consumption of areawide air-conditioning systems in the new office buildings.

REE keeps track of energy and water consumption in our business activities on monthly basis for better control of our resource usage and potential adverse impact to the environment.

Energy and water consumption of the Group were measured and recorded at the following locations:

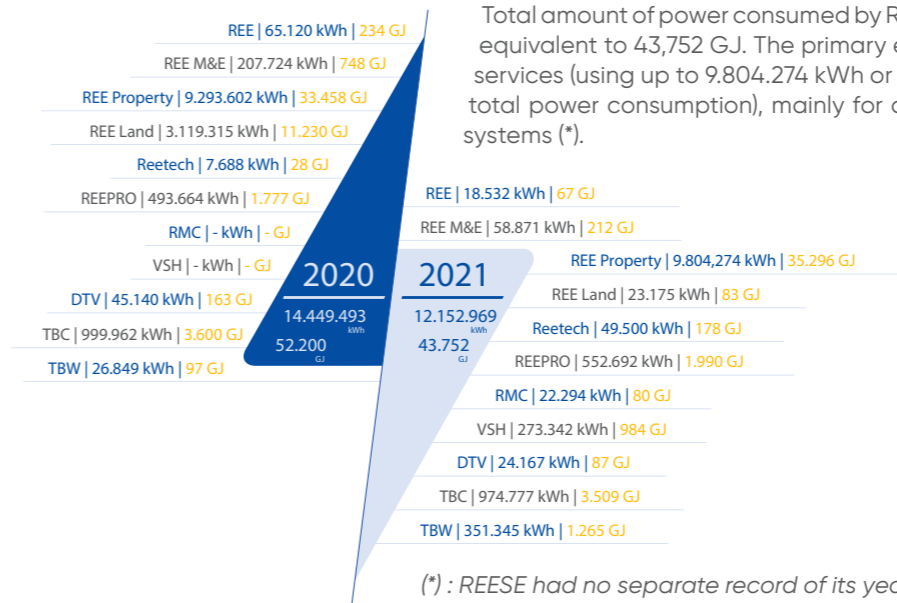
- › **e.town office complex:** 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City – Head office of REE Group and its member companies, including: REE M&E, Reetech, RMC, REE Property, REE Land, REE Energy and REE Water.
- › e.town Central Building: 11 Doan Van Bo Street, District 4, HCMC
- › REE Tower Building: 9 Doan Van Bo Street, District 4, HCMC
- › IDC Building: 163 Hai Ba Trung Street, Ward 6, District 3, HCMC
- › REEPRO: Lot 1-4, CN13 Street, Son Ky Ward, Tan Phu District, HCMC
- › Subsidiaries: VSH, DTV, TBC and TBW
- › Projects that REE provided M&E services

In 2021, REE had no penalties or non-monetary sanctions regarding non-compliance with environmental laws and regulations.

Energy

- › Accelerate our investments into renewable energy whereas scaling down our footprint in coal thermal power plants.
- › Accelerate our investments into rooftop solar projects, which encourages and promotes clean energy use in multiple enterprises' business activities.
- › Running safe and effective operation in our wind power and rooftop solar projects to contribute a larger amount of green energy to total nationwide power generation output.

Energy Consumption

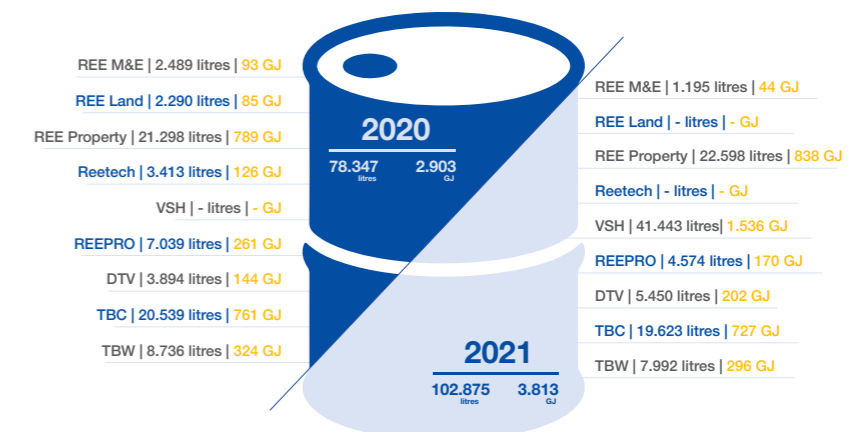


Total amount of power consumed by REE Group in 2021 was 12,152,969 kWh, equivalent to 43,752 GJ. The primary electricity use was for office leasing services (using up to 9,804,274 kWh or 35,296 GJ – accounted for 80.7% of total power consumption), mainly for air-conditioning and public lighting systems (*).

(*): REESE had no separate record of its year-round power consumption

In 2021, total diesel consumption volume of REE Group was 102,875 litres, equivalent to 3,813 GJ with 61,066 litres or 2,263 GJ (seizing 59.4% of total diesel consumption) adopted for the operation of cooling turbines of hydropower plants (**).

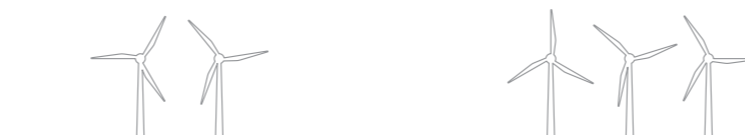
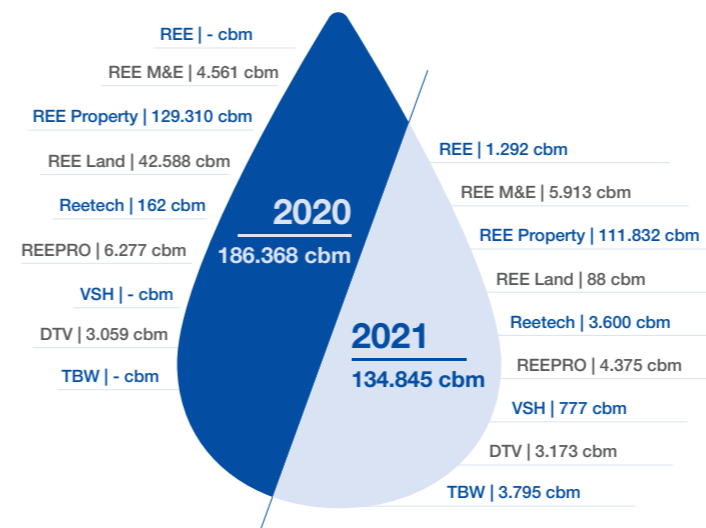
(**): REE, REESE & RMC had no separate record of their year-round diesel consumption



Water Consumption

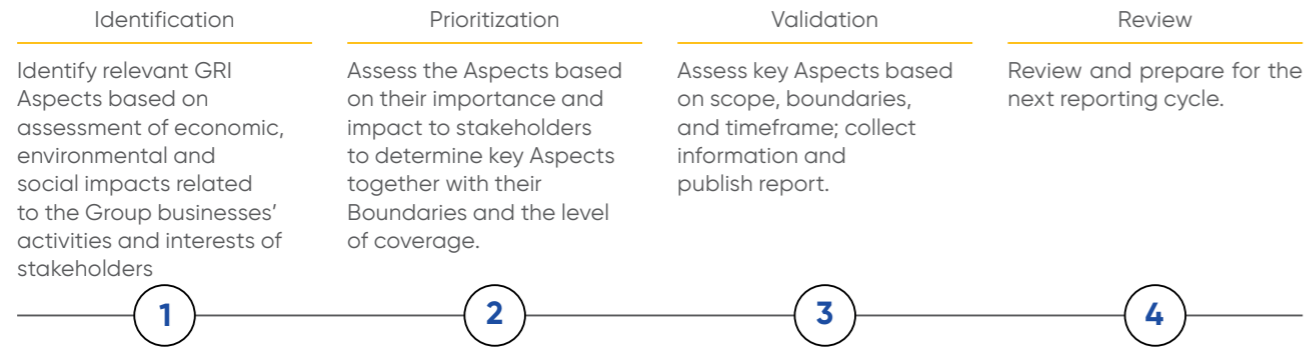
In 2021, total water consumption volume of REE Group was 134,845 cbm, a decrease of 27.6% compared to 2020. The primary use of water consumption was for office leasing services (using up to 111,832 cbm – accounted for 82.9% of total water consumption), mainly for public facilities and cooling air-conditioning systems (**).

(**): REESE, RMC & TBC had no separate record of their year-round water consumption



KEY ASPECTS

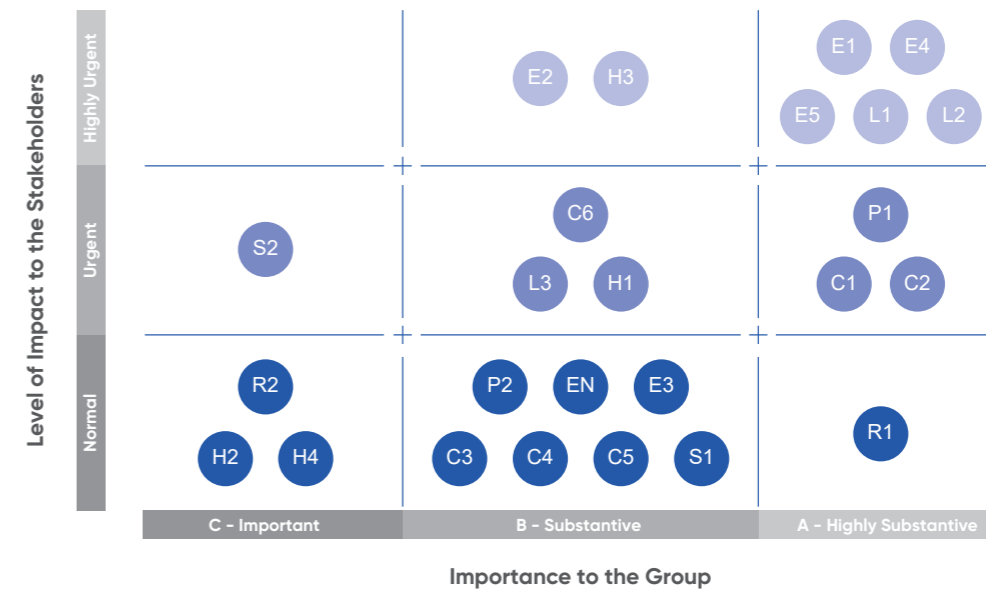
Process To Define The Report's Content And Key Businessses



List of indentified Key Topics, Aspects and Boundaries

Key Topics	Key Aspects (GRI)	Aspect Boundaries	Report Sections
Our Businesses			
P1	Product and service offerings	• Corporation	Economic Performance
P2	Customer and after-sales service	• Customers	
EN	Environmental protection	• Business partners (domestic and international)	
E1	Business results	• Corporation	Direct/indirect economic interests
E2	Dividends	• Shareholders, Investors (local and foreign)	
E3	Stock price	• Business partners (domestic and international)	
E4	Financial strength	• Government authorities	
E5	Statutory obligations		
C1	Corporate governance	• Group businesses	Business Management
C2	Risk management	• Shareholders, Investors (local & foreign)	
C3	Equitable shareholder treatment		
C4	Compliance	• Group businesses	
C5	Anti-corruption	• Government authorities	
C6	Market development	• Business partners (domestic & international)	
R1	Transparent information disclosure	• Group businesses	Corporate governance
R2	Internal communications	• Shareholders, Investors (local and foreign) • Government authorities • Group's Employees	
Our People			
1. Workforce statistics 2. Developing our people			
L1	Salary and employment benefits	• Group's Employees	Human rights
L2	Employee health and workplace safety		
L3	Training and development		
H1	Non-discrimination		
H2	Human rights		
H3	Equal opportunity		
H4	Freedom of association and collective bargaining		
Corporate Social Responsibility			
S1	Corporate Social Responsibility	• Group businesses • Community	
S2	Workforce development		
Our environment			

Ma Trận Ưu Tiên



Stakeholders	Key Topics	Group	Urgency
Shareholders, Investors	Business results	A	E1
	Dividends	B	E2
	Stock price	B	E3
	Information disclosure	A	R1
	Corporate governance	A	C1
	Risk management	A	C2
Customers	Equitable shareholder treatment	B	C3
	Product and service offerings	A	P1
	Customer and after-sale service	B	P2
Business Partners	Environmental protection	B	EN
	Financial strength	A	E4
	Compliance	B	C4
	Anti-corruption	B	C5
	Market development	B	C6
	Customer and after-sale service	B	P2
Government Authorities	Statutory obligations	A	E5
	Compliance	B	C4
	Information disclosure	A	R1
Employees	Salary and employment benefits	A	L1
	Employee health and workplace safety	A	L2
	Training and development	B	L3
	Non-discrimination	B	H1
	Human rights	C	H2
	Equal opportunity	B	H3
	Freedom of association and collective bargaining	C	H4
	Internal communications	C	R2
Community	Corporate social responsibility	B	S1
	Workforce development	C	S2



GRI-G4 DISCLOSURE & CONTENT INDEX

General Standard Disclosures

GRI Index	Description	Reference Section	Page	Reason for Omission
1	Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the SR – Sustainability Statement by the Chairwoman 56 organization	SR – Message from Chairwoman	210	
2	Organizational Profile			
G4-3	Name of the organization	SR – Corporate Information	212	
G4-4	Primary brands, products and services	SR – Corporate Information	212	
G4-5	Location of the organization's headquarters	SR – Corporate Information	212	
G4-6	"The number of countries where the organization operates and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report"	SR – Corporate Information	212	
G4-7	The nature of ownership and legal form	SR – Corporate Information	212	
G4-8	"The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)"	SR – Corporate Information	212	
G4-9	The scale of the organization	AR – Corporate Structure	159 – 162	
G4-10	The organization's workforce statistics	SR – Workforce Statistics	216	
G4-11	The percentage of total employees covered by collective bargaining agreements	100%		
G4-12	Description of the organization's supply chain	AR – Introduction to Business Segments	164 – 165	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	SR – Scope of Report	212	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives which the organization endorses	ISO 9001:2015		
G4-16	List memberships of associations	SR – Corporate Information	212	
3	Identified Material Aspects and Boundaries			
G4-17	"List all entities included in the organization's consolidated financial statements Report whether any entity included in the organization's consolidated financial statements is not covered by the report"	AR – Corporate Structure SR – Scope of Report	159 – 162 212	
G4-18	Explain the process for defining the report content and the aspect boundaries	SR – Key Aspects	224 – 225	
G4-19	List all the material aspects identified in the process for defining report content	SR – Key Aspects	224 – 226	

Legend:

- › SR: Sustainability Report
- › AR: Annual Report

GRI Index	Description	Reference Section	Page	Reason for Omission
G4-20	For each material aspect, report the aspect boundary within the organization	SR – Key Aspects	224 – 227	
G4-21	For each material aspect, report the aspect boundary outside the organization	SR – Key Aspects	224 – 228	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements			No significant changes
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries			No significant changes
4	4 Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organization	SR – Stakeholder's Engagement	214	
G4-25	The basis for identification and selection of stakeholders with whom to engage	SR – Stakeholder's Engagement	214	
G4-26	The organization's approach to stakeholder engagement	SR – Stakeholder's Engagement	214	
G4-27	"Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting Report the stakeholder groups that raised each of the key topics and concerns"	SR – Priority Matrix	255	
5	5 Report Profile			
G4-28	Reporting period	SR – Scope of Report	212	
G4-29	Date of most recent previous report	SR – Scope of Report	212	
G4-30	Reporting cycle	SR – Scope of Report	212	
G4-31	The contact point for questions regarding the report or its contents	AR – Corporate Information	158	
G4-32	The reporting option the organization has chosen	SR – Scope of Report	212	
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	SR – Report's Information Assurance	212	
6	6 Governance			
G4-34	Governance structure of the organization, including committees of the highest governance body	AR – Corporate Governance	199	
7	7 Ethics and Integrity			
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	AR – Corporate Governance	199	



GRI-G4 DISCLOSURE & CONTENT INDEX (continued)

GRI Index	Description	Reference Section	Page	Reason for Omission
1	Economic			
1.1	Economic performance			
G4-EC1	Direct economic value generated and distributed	AR - Management Report	178 - 200	
G4-EC3	Coverage of the organization's defined benefit plan obligations	AR - Management Report	178 - 200	
1.1	Indirect economic impacts			
G4-EC7	Development and impact of infrastructure investments and services supported	AR - Management Report		
2	Environmental			
2.1	Energy			
G4-EN3	Energy consumption within the organization			
G4-EN6	Reduction of energy consumption	SR - Environment	222-223	
G4-EN7	Reductions in energy requirements of products and services	SR - Environment	222-223	
2.2	Water			
G4-EN8	Total water withdrawal by source	SR - Environment	222-223	
G4-EN10	Percentage and total volume of water recycled and reused	0%	222-223	
2.3	Compliance			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR - Environment	222-223	
3	Social			
3.1	Labor practices and decent work			
3.1.1	Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	SR - Workforce Statistics	216	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	SR - Talent Development	217-218	
	<i>Occupational health and safety</i>			
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR - Talent Development	217-218	
	<i>Training and education</i>			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	SR - Talent Development	217-218	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	SR - Talent Development	217-218	

GRI Index	Description	Reference Section	Page	Reason for Omission
3.1.2	Diversity and equal opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	SR - Workforce Statistics	214	
3.2	Human rights			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	SR - Talent Development	215 - 216	No incidents of discrimination reported
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	100%		
3.3	Society			
3.3.1	Local communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	SR - Corporate Social Responsibility	218 - 219	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	SR - Corporate Social Responsibility	218 - 219	No negative impacts
3.3.2	Anti-corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	AR - Corporate Governance	199	
G4-SO4	Communication and training on anti-corruption policies and procedures	AR - Corporate Governance	199	
3.3.3	Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	AR - Corporate Governance	199	No case was found
3.4	Product Responsibility			
3.4.1	Product and service labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	AR - Introduction to Business Segments	164 - 165	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	AR - Introduction to Business Segments	164 - 165	No case was found
3.4.2	Customer privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			No case was found
3.4.3	Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	AR - Corporate Governance	199	No case was found

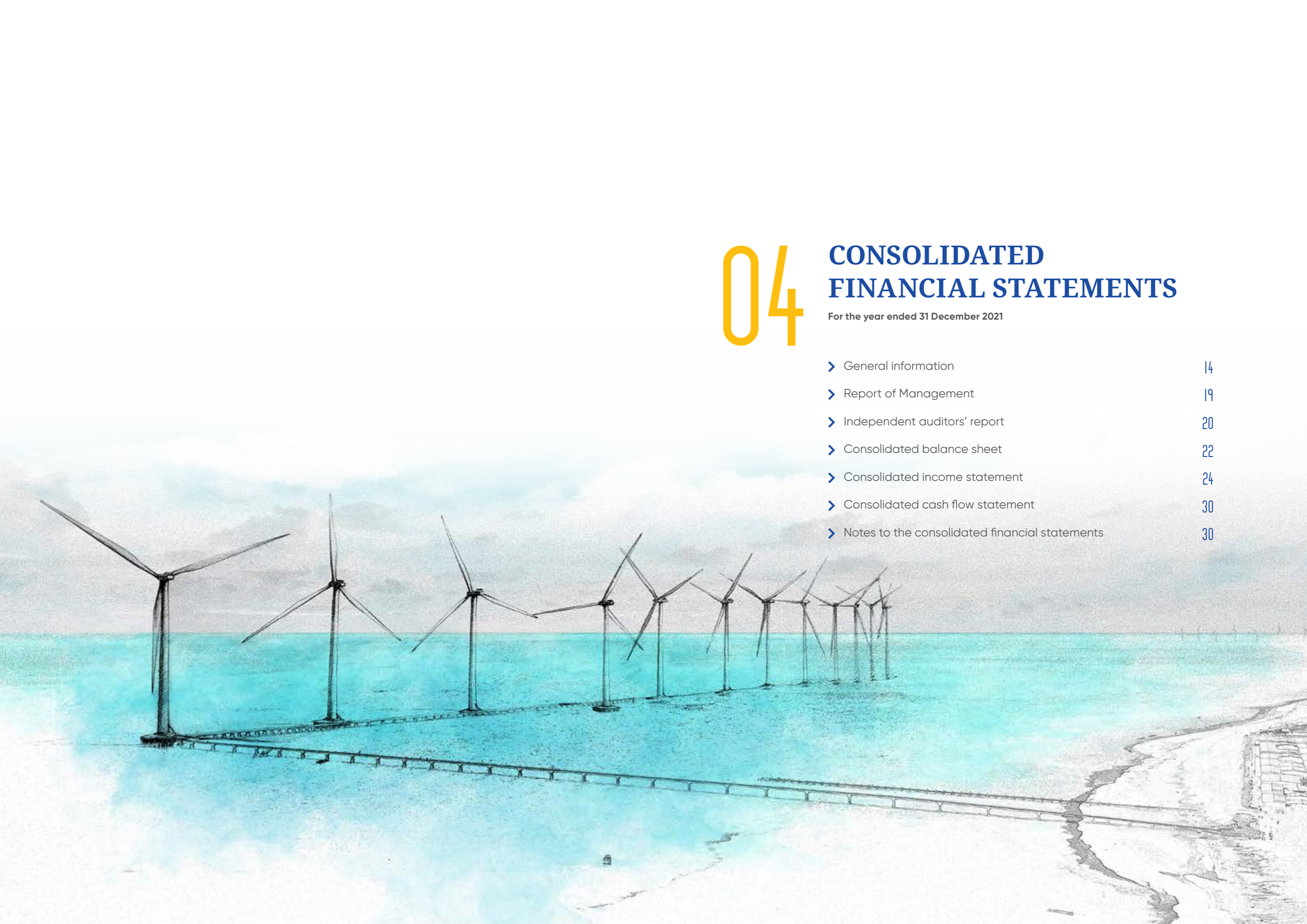


04

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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➤ Notes to the consolidated financial statements	30



GENERAL INFORMATION

THE COMPANY

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended Enterprise Registration Certificate No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City on 3 August 2020.

The Company's share is listed on the Ho Chi Minh City Stock Exchange in accordance with the License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company and its subsidiaries ("the Group") are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, produce, transmit and distribute electricity, and strategic financial investments in infrastructure related sector.

The Company's registered head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Madam Nguyen Thi Mai Thanh	Chairwoman	
Mr Alain Xavier Cany	Vice Chairman	appointed on 7 April 2021
Mr Benjamin Herrenden Birks	Deputy Chairman	resigned on 30 March 2021
Mr Huynh Thanh Hai	Member	appointed on 30 March 2021
Mr Nguyen Ngoc Thai Binh	Member	
Mr Stephen Patrick Gore	Member	
Mr Dang Hong Tan	Independent Member	
Mr Do Le Hung	Independent Member	appointed on 30 March 2021

AUDIT COMMITTEE

Internal Audit Function under the Board of Directors during the year and at the date of this report are:

Mr Do Le Hung	Head	appointed on 7 April 2021
Mr Stephen Patrick Gore	Member	appointed on 7 April 2021
Mr Dang Hong Tan	Member	appointed on 7 April 2021

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Huynh Thanh Hai	General Director	
Mr Pham Quoc Thang	Deputy General Director	resigned on 08 Feb 2022
Mr Nguyen Ngoc Thai Binh	Deputy General Director	
Mr Nguyen Quang Quyen	Deputy General Director	

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Huynh Thanh Hai.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Refrigeration Electrical Engineering Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of the Group which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the management:



Huynh Thanh Hai
General Director

Ho Chi Minh City, Vietnam
4 March 2022



INDEPENDENT AUDITORS' REPORT**To: The Shareholders and the Board of Directors of Refrigeration Electrical Engineering Corporation**

We have audited the accompanying consolidated financial statements of Refrigeration Electrical Engineering Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 4 March 2022 and set out on pages 235 to 293 which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Ernst & Young Vietnam Limited

Dương Lê Anh Dũng
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Dang Minh Tai
Auditor
Audit Practicing Registration Certificate
No. 2815-2019-004-1

Ho Chi Minh City, Vietnam

4 March 2022

CONSOLIDATED BALANCE SHEET

B01-DN/HN

as at 31 December 2021

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		6,805,972,262,128	6,008,633,765,955
110	I. Cash and cash equivalents	5	1,830,901,134,902	651,668,665,185
111	1. Cash		259,186,839,056	234,348,665,185
112	2. Cash equivalents		1,571,714,295,846	417,320,000,000
120	II Short-term investments	16	913,528,242,575	1,328,559,221,660
121	1. Held-for-trading securities		72,553,563,045	432,981,930,767
122	2. Provision for diminution in value of held-for-trading securities		(293,908,798)	(953,161,365)
123	3. Held-to-maturity investments		841,268,588,328	896,530,452,258
130	III. Current accounts receivable		2,986,542,167,652	3,082,281,525,922
131	1. Short-term trade receivables	6	2,034,510,985,201	1,348,736,174,580
132	2. Short-term advances to suppliers	7	144,814,816,021	575,197,923,225
134	3. Construction contract receivables based on agreed progress billings	6	532,836,195,253	532,717,915,551
135	4. Short-term loan receivables		21,383,880,000	466,600,000,000
136	5. Other short-term receivables	8	372,122,761,655	253,933,519,330
137	6. Provision for doubtful short-term receivables	6, 7	(119,126,470,478)	(94,904,006,764)
140	IV. Inventories	10	799,900,814,968	807,507,044,477
141	1. Inventories		806,472,650,348	813,557,931,672
149	2. Provision for obsolete inventories		(6,571,835,380)	(6,050,887,195)
150	V. Other current assets		275,099,902,031	138,617,308,711
151	1. Short-term prepaid expenses		9,429,562,749	5,228,821,855
152	2. Value-added tax deductible		260,573,506,690	127,329,336,990
153	3. Tax and other receivables from the State	20	5,096,832,592	6,059,149,866



Consolidated Balance Sheet (continued)

B01-DN/HN

as at 31 December 2021

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		25,021,031,112,330	14,521,819,968,981
210	I. Long-term receivables		37,218,252,980	50,818,488,683
211	1. Long-term trade receivables		28,576,680	25,366,596
216	2. Other long-term receivables	8	37,189,676,300	50,793,122,087
220	II. Fixed assets		16,057,664,537,080	2,584,784,885,734
221	1. Tangible fixed assets	12	15,991,796,379,057	2,518,931,473,102
222	Cost		21,253,746,501,962	4,432,809,340,688
223	Accumulated depreciation		(5,261,950,122,905)	(1,913,877,867,586)
227	2. Intangible assets	13	65,868,158,023	65,853,412,632
228	Cost		84,742,888,325	83,622,995,915
229	Accumulated amortisation		(18,874,730,302)	(17,769,583,283)
230	III. Investment properties	15	1,570,332,277,547	1,773,066,914,071
231	1. Cost		2,507,128,328,047	2,616,685,673,894
232	2. Accumulated depreciation		(936,796,050,500)	(843,618,759,823)
240	IV. Long-term asset in progress		405,953,160,121	275,954,512,618
242	1. Construction in progress	14	405,953,160,121	275,954,512,618
250	V. Long-term investments	16	6,261,443,381,524	9,287,154,637,597
252	1. Investments in associates		5,744,934,766,391	8,449,674,018,847
253	2. Investments in other entities		286,508,615,133	307,894,164,509
254	3. Provision for long-term investments		-	(413,545,759)
255	4. Held-to-maturity investments		230,000,000,000	530,000,000,000
260	VI. Other long-term assets		688,419,503,078	550,040,530,278
261	1. Long-term prepaid expenses	11	329,728,703,772	273,455,227,228
262	2. Deferred tax assets	32.3	40,983,442,290	33,850,243,817
263	3. Long-term tools, supplies and spare parts		9,578,302,877	-
269	4. Goodwill	17	308,129,054,139	242,735,059,233
270	TOTAL ASSETS		31,827,003,374,458	20,530,453,734,936

Consolidated Balance Sheet (continued)

B01-DN/HN

as at 31 December 2021

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		15,469,126,320,834	8,317,804,815,307
310	I. Current liabilities		4,062,369,793,461	3,443,435,067,856
311	1. Short-term trade payables	18	659,734,149,361	633,005,027,354
312	2. Short-term advances from customers	19	821,856,327,767	790,665,979,447
313	3. Statutory obligations	20	258,734,682,600	74,565,360,847
314	4. Payables to employees		49,177,188,081	43,099,301,593
315	5. Short-term accrued expenses	21	870,977,279,778	526,830,482,550
318	6. Short-term unearned revenues	22	1,670,313,750	7,751,271,002
319	7. Short-term other payables	23	142,022,151,735	85,219,286,381
320	8. Short-term loans	24	1,233,985,836,561	1,264,637,519,063
321	9. Short-term provisions	25	20,118,884,268	14,777,538,849
322	10. Bonus and welfare fund		4,092,979,560	2,883,300,770
330	II. Non-current liabilities		11,406,756,527,373	4,874,369,747,451
336	1. Long-term unearned revenues	22	-	264,597,567,171
337	2. Other long-term liabilities	23	444,716,864,549	231,568,542,182
338	3. Long-term loans	24	10,739,972,813,508	4,334,710,938,577
341	4. Deferred tax liabilities	32.3	189,180,328,850	-
342	5. Long-term provisions	25	32,886,520,466	43,492,699,521
400	D. OWNERS' EQUITY		16,357,877,053,624	12,212,648,919,629
410	I. Capital		16,357,877,053,624	12,212,648,919,629
411	1. Share capital	26.1	3,100,588,410,000	3,100,588,410,000
411a	- Shares with voting rights	26.1	3,100,588,410,000	3,100,588,410,000
412	2. Share premium	26.1	1,050,489,310,786	1,050,489,310,786
415	3. Treasury shares	26.1	(47,622,230,162)	(47,622,230,162)
418	4. Investment and development fund	26.1	234,678,637,677	234,721,594,748
421	5. Undistributed earnings	26.1	8,963,840,558,977	7,114,818,742,145
421a	- Undistributed earnings by the end of prior year		7,108,760,930,846	5,486,742,533,561
421b	- Undistributed earnings of the current year		1,855,079,628,131	1,628,076,208,584
429	6. Non-controlling interests	26.4	3,055,902,366,346	759,653,092,112
440	TOTAL LIABILITIES AND OWNERS' EQUITY		31,827,003,374,458	20,530,453,734,936



 Pham Thi Uyen Phuong
Preparer



 Ho Tran Dieu Linh
Chief Accountant

 Huỳnh Thanh Hai
General Director

4 March 2022



CONSOLIDATED INCOME STATEMENT

B02-DN/HN

for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	27.1	5,815,207,697,974	5,644,088,890,450
02	2. Deductions	27.1	(5,396,769,153)	(4,336,164,483)
10	3. Net revenues from sale of goods and rendering of services	27.1	5,809,810,928,821	5,639,752,725,967
11	4. Costs of goods sold and services rendered	28	(3,499,780,319,487)	(4,033,887,057,177)
20	5. Gross profit from sale of goods and rendering of services		2,310,030,609,334	1,605,865,668,790
21	6. Finance income	27.2	466,044,378,716	221,805,860,261
22	7. Finance expenses	29	(707,477,013,541)	(474,525,519,610)
23	In which: Interest expense		(663,213,132,564)	(416,425,845,956)
24	8. Shares of profit of associates	16.3	774,158,791,759	914,775,593,286
25	9. Selling expenses	30	(85,073,572,183)	(82,735,361,072)
26	10. General and administrative expenses	30	(370,461,124,107)	(283,713,770,081)
30	11. Operating profit		2,387,222,069,978	1,901,472,471,574
31	12. Other income		24,734,212,639	28,781,973,202
32	13. Other expenses		(12,127,253,678)	(6,668,972,268)
40	14. Other profit		12,606,958,961	22,113,000,934
50	15. Accounting profit before tax		2,399,829,028,939	1,923,585,472,508
51	16. Current corporate income tax expense	32.1	(270,987,968,658)	(205,948,240,596)
52	17. Deferred tax income (expense)	32.1	6,569,186,967	(4,135,453,010)
60	18. Net profit after tax		2,135,410,247,248	1,713,501,778,902
61	19. Net profit after tax attributable to shareholders of the parent		1,855,079,628,131	1,628,076,208,584
62	20. Net profit after tax attributable to non-controlling interests		280,330,619,117	85,425,570,318
70	21. Basic earnings per share	26.5	6,003	5,251
71	22. Diluted earnings per share	26.5	6,003	5,251


Pham Thi Uyen Phuong
Preparer


Ho Tran Dieu Lynh
Chief Accountant


Huynh Thanh Hai
General Director

4 March 2022

CONSOLIDATED CASH FLOW STATEMENT

B03-DN/HN

for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		2,399,829,028,939	1,923,585,472,508
Adjustments for:				
02	Depreciation and amortisation (including amortisation of goodwill)	12, 13, 15, 17	892,770,160,161	321,516,852,418
03	Provisions		18,405,779,937	23,057,787,014
04	Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency		(54,068,058,823)	51,724,431,455
05	Gains from investing activities		(1,163,257,560,126)	(1,115,999,082,558)
06	Interest and allocation of bond issuance expenses	29	673,223,734,156	421,839,558,764
08	Operating income before changes in working capital		2,766,903,084,244	1,625,725,019,601
09	Increase in receivables		29,622,920,119	(507,285,025,290)
10	Decrease in inventories		77,638,886,518	186,108,698,029
11	Decrease in payables		(854,110,675,499)	(115,930,321,718)
12	(Increase) decrease in prepaid expenses		(98,627,188,150)	29,471,583,628
13	Decrease in held-for-trading securities		360,428,367,722	31,413,307,735
14	Interest paid		(514,814,557,208)	(427,365,493,651)
15	Corporate income tax paid		(230,330,263,598)	(203,381,487,208)
17	Other cash outflows for operating activities		(12,082,946,322)	(5,932,753,593)
20	Net cash flows from operating activities		1,524,627,627,826	612,823,527,533
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(3,912,223,653,143)	(1,393,880,720,427)
22	Proceeds from disposals of fixed assets		902,280,798	2,853,634,811
23	Investments in term deposits and loans to other entities		(903,739,312,954)	(2,814,042,019,109)
24	Proceeds from divestments term deposits and collections from borrowers		1,489,286,994,839	2,717,433,449,280
25	Payments for investment in other entities		(224,284,358,055)	(103,299,516,724)
26	Proceeds from divestments in other entities		246,797,500,808	81,082,703,369
27	Interest and dividends received		1,290,727,765,581	683,146,958,899
30	Net cash flows used in investing activities		(2,012,532,782,126)	(826,705,509,901)



Consolidated Cash Flow Statement (continued)

B03-DN/HN

for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution from non-controlling interests		121,000,000,000	62,500,000,000
32	Purchase of treasury shares		-	(47,539,203,502)
33	Drawdown of borrowings	24	3,971,732,695,581	1,920,933,807,883
34	Repayment of borrowings	24	(2,340,106,444,858)	(2,005,392,975,633)
36	Dividends paid to equity holders of the parent	26.2	(166,029,400)	(491,095,261,950)
36	Dividends paid to non-controlling interests		(85,419,410,992)	(113,413,085,622)
40	Net cash flows from (used in) financing activities		1,667,040,810,331	(674,006,718,824)
50	Net decrease in cash and cash equivalents		1,179,135,656,031	(887,888,701,192)
60	Cash and cash equivalents at beginning of year		651,668,665,185	1,539,577,051,904
61	Impact of exchange rate fluctuation		96,813,686	(19,685,527)
70	Cash and cash equivalents at the end of year	5	1,830,901,134,902	651,668,665,185



Pham Thi Uyen Phuong
Preparer



Ho Tran Dieu Lynh
Chief Accountant



Haynh Thanh Hai
General Director

4 March 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended ERC No. 0300741143 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 3 August 2020.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with the License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company and its subsidiaries ("the Group") are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, produce, transmit and distribute electricity, and strategic financial investments in infrastructure related sector.

The Company's registered head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The Company's normal course of business cycle is 12 months.

The number of the employees of the Group as at 31 December 2021 was 1,982 (31 December 2020: 1,787).

Corporate structure

As at 31 December 2021, the Company's corporate structure includes twenty seven (27) subsidiaries. Details are as follows:

Names	Location	Business activities	% of interest	
			Ending balance	Beginning balance
(1) R.E.E Electric Appliances Joint Stock Company	Ho Chi Minh City	Electric Appliances	99.99	99.99
(2) Reepro Service and Manufacturing Company Limited	Ho Chi Minh City	Mechanical and Engineering	99.99	99.99
(3) RMC Trade & Services Company Limited	Ho Chi Minh City	Trading	99.99	99.99
(4) R.E.E Mechanical & Engineering Joint Stock Company	Ho Chi Minh City	Mechanical and Engineering	91.38	91.06
(5) R.E.E Real Estate Co., Ltd.	Ho Chi Minh City	Office building management	100.00	100.00
(6) REE Land Company Limited	Ho Chi Minh City	Real estate	100.00	100.00
(7) Song Mai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	99.99	99.99
(8) Tan Hai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	99.99	99.99
(9) Song Long Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	70.00	70.00



as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

Names	Location	Business activities	% of interest	
			Ending balance	Beginning balance
(10) REE Energy Company Limited	Ho Chi Minh City	Power	100.00	100.00
(11) Tin Hieu Xanh Trading Services Construction Company Limited	Ho Chi Minh City	Electrical infrastructure	100.00	100.00
(12) Muong Hum Hydropower Joint Stock Company (i)	Lao Cai Province	Hydropower	79.84	79.84
(13) Thac Ba Hydropower Joint Stock Company (i)	Yen Bai Province	Hydropower	60.42	60.42
(14) Vinh Son-Song Hinh Hydropower Joint Stock Company	Binh Dinh Province	Hydropower	50.45	-
(15) REE Solar Energy Joint Stock Company ("REE SE")	Ho Chi Minh City	Solar Power	99.99	99.99
(16) Tan An Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(17) Tan Binh Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(18) Tan Phong Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(19) Tan Uyen Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(20) REE SE Anh Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(21) REE SE Huong Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(22) REE SE Thai Binh Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(23) Pacific Solar Power Joint Stock Company	Ho Chi Minh City	Solar Power	50.99	50.99
(24) Tra Vinh Electric Development Joint Stock Company	Tra Vinh Province	Electricity Trading	66.29	66.29
(25) Thuan Binh Wind Power Joint Stock Company	Binh Thuan Province	Wind Power	50.00	50.00
(26) REE Water Company Limited	Ho Chi Minh City	Water supply	100.00	100.00
(27) TK Plus Company Limited	Ho Chi Minh City	Service supply	65.00	-

(i) 38,365,168 shares of Thac Ba Hydropower Joint Stock Company and 24,932,630, which are owned by the Group, were placed as collateral for the Group's domestic straight bonds – REE-BOND 2029 (Note 24.3).

(ii) All shares of Thuan Binh Wind Power Joint Stock Company which is owned by the Group, were placed as collateral for the Group's loan (Note 24.3).

During the year, the Group has completely disposed equity interest of Vietnam Property and Infrastructure Joint Stock Company ("VIID"), the Company's indirect subsidiary, in accordance with the Decision of Board of Directors No. 17/2021/NQ-HDQT of REE dated 4 August 2021.

as at 31 December 2021 and for the year then ended

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

The consolidated financial statements of the Group, expressed in Vietnam Dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the Voucher Journal system.

2.3 Fiscal year

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.



as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

Inventories are stated at the lower of cost which comprises all costs of purchase and other direct costs incurred in bringing each product to its present location and condition, and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, consumables and goods for resale	- cost of purchase on a first-in, first-out basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable overheads based on the normal level of activities on a first-in, first-out basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

Cost includes:

- › Freehold rights for land;
- › Amounts paid to contractors for construction; and
- › Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

When intangible assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

Land use rights

The land use rights represents the cost to acquire the rights to use land and be amortised on straight-line basis over the useful life of the land use rights.



as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 – 50 years
Machinery and equipment	5 – 20 years
Means of transportation	6 – 15 years
Office equipment	3 – 5 years
Land use rights	36 – 50 years
Software	1 – 3 years
Others	4 years

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the year of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3.8 Investment properties

Investment properties are buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 – 50 years
Machinery and equipment	5 – 10 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction or production of any qualified assets are capitalised during the year of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the consolidated income statement when incurred.

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract.

3.11 Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis from acquisition date. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

3.12 Investments

Investment in associates

Investments in associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associates. Goodwill relating to the associates is included in the carrying amount of the investments. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the Group's share of the results of operations of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.



as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Investments (continued)

Provision for diminution of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated income statement and deducted against the value of such investments.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Installation project warranty

A provision is recognised for expected warranty claims on installation project completed during the year, based on past experience of the level of repairs. The Group expects that most of these costs will be incurred in the next years. Assumptions used to calculate the provision for warranties were based on current sales levels and terms of each contract.

3.15 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions (continued)

At end of year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

3.16 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

3.17 Appropriation of net profit

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after getting approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by the shareholders at the annual general meeting.

› *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

› *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer, usually upon the delivery of the goods.

Sale of real estate

Revenue from the sale of real estate is recognised when the significant risks and rewards of ownership have passed to the buyer, usually upon the handover of the real estate property, and it is probable that the transfer price will be recoverable.

When a transaction has not met the criteria mentioned above, the cumulative amount of progress payment received from customers is presented as advance from customers in the consolidated balance sheet until all the criteria are met.



as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Revenue recognition (continued)

Rendering of services

Revenue is recognised when the services have been rendered.

Revenue from supply and installation contracts

Where the outcome of a construction contract can be estimated reliably and certified by customers, revenue and costs are recognised by reference to the amount of work completed at the balance sheet date. Variations in contract work and claims are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

Difference between the cumulative revenue of a construction contract recognised to date and the cumulative amount of progress billings of that contract was presented as construction contract receivable based on agreed progress billings in the consolidated balance sheet.

Office rental income

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

Investment gains

Gains from investments are recognised as income when the significant risks and rewards of ownership have passed to the buyer.

Interest income

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

Bonus shares or issuance new shares for dividend payment

Income is not recognised when the Group is entitled as an investor to receive bonus shares or issuance new shares for dividend payment. The number of shares received as bonus or dividends is disclosed on the relevant note to the consolidated financial statements.

3.19 Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary equity holders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in equity account.



as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- Either the same taxable entity; or
- When the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), that is subject to risks and returns that are different from those of other segments.

3.22 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

4. SIGNIFICANT EVENTS

4.1 Additional acquisition of interests in Vinh Son – Song Hinh Hydropower Joint Stock Company

During the year, REE Energy Company Limited ("REE Energy"), the Group's subsidiary, has completed the purchase of additional 14,856,568 issuance shares and 2,200,000 shares from existing shareholders Vinh Son – Song Hinh Hydropower Joint Stock Company ("VSH") with total consideration of VND 191,389,689,204. Accordingly, the ownership interest of REE Energy in VSH increase from 49.52% to 50.45%.

Accordingly, VSH has become a subsidiary of the Group from the acquisition date with the ownership interest of the Group in VSH of 50.45%. The principal activities of VSH are to produce and invest in construction of electricity projects.

The fair values of the identifiable assets and liabilities of VSH as at the acquisition date of consolidation are as follows:

as at 31 December 2021 and for the year then ended

4. SIGNIFICANT EVENTS (continued)

4.1 Additional acquisition of interests in Vinh Son-Song Hinh Hydropower Joint Stock Company (continued)

	VND
	<i>Fair value recognized on acquisition</i>
Assets	
Cash	34,283,586,039
Receivables	231,868,392,457
Inventories	100,689,357,603
Fixed assets and construction in progress	10,381,477,940,486
Other assets	55,553,437,913
	10,803,872,714,498
Liabilities	
Trade payables and advance from customers	343,985,353,666
Loans	5,536,993,974,444
Deferred tax liabilities	188,013,161,945
Other payables	251,043,077,709
	6,320,035,567,764
Identifiable net assets at fair value	4,483,837,146,734
<i>In which:</i>	
<i>Net assets acquired</i>	2,262,319,222,525
<i>Non-controlling interests</i>	2,221,517,924,209
Goodwill arising on acquisition	94,179,342,393
Purchase consideration	2,356,498,564,918

The total fair value of fixed assets and construction in progress is VND 10,381,477,940,486, increasing by VND 940,065,809,726 as compared to those as per book value as at the acquisition date, is the increase in value of assets belonging to hydropower projects owned by VSH as at the acquisition date. Accordingly, deferred tax liabilities increased by VND 188,013,161,945 and the goodwill arising on acquisition is VND 94,179,342,393.



as at 31 December 2021 and for the year then ended

4. SIGNIFICANT EVENTS (continued)

4.2 Acquisition of interests in TK Plus Company Limited

On 1 February 2021, REE Water Company Limited ("REE Water"), the Group's subsidiary, completely acquired shares of TK Plus Company Limited ("TK Plus") from the existing shareholders at the consideration of VND 16,800,000,000.

Accordingly, TK Plus has become a subsidiary of the Group from the date of completion of the acquisition with the ownership interest of the Group in TK Plus of 65%. The principal activities of TK Plus are technical consultancy, design and installation of machinery and equipment for water supply and drainage.

The provisional fair values of the identifiable assets and liabilities of TK Plus as at the acquisition date of consolidation are as follows:

VND

	<i>Provisional fair value recognized on acquisition</i>
Assets	
Cash	7,033,608,685
Receivables	26,927,225,088
Inventories	35,489,547,674
Other assets	645,036,607
	70,095,418,054
Liabilities	
Payables	49,454,805,624
Loans	2,901,143,295
Other payables	1,413,245,312
	53,769,194,231
Identifiable net assets at provisional fair value	16,326,223,823
<i>In which:</i>	
Net assets acquired	10,612,045,485
Non-controlling interests	5,714,178,338
Goodwill arising on acquisition	6,187,954,515
Purchase consideration	16,800,000,000

VND

	<i>Amount</i>
Cash flow on acquisition	
Net cash acquired with the subsidiary	7,033,608,685
Cash paid	16,800,000,000
Net cash flow on acquisition	9,766,391,315

4.3 Transfer all of investment in Vietnam Property and Infrastructure Joint Stock Company ("VIID")

In accordance with the Decision of Board of Directors No. 17/2021/NQ-HDQT dated 4 August 2021, the Board of Directors approved to transfer all of the Group's investment in VIID, a subsidiary of the Group. Accordingly, on 22 October 2021, the Group completed the said transaction for third parties. The gain from the transfer of VND 196,766,110,809 was recognized as finance income in the consolidated income statement (Note 27.2). Accordingly, VIID was no longer a subsidiary of the Group from that day.

as at 31 December 2021 and for the year then ended

5. CASH AND CASH EQUIVALENTS

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	6,616,124,305	3,848,977,978
Cash at banks	252,570,714,751	230,499,687,207
Cash equivalents (*)	1,571,714,295,846	417,320,000,000
TOTAL	1,830,901,134,902	651,668,665,185

(*) Cash equivalents mainly represent the short-term bank deposits with original maturity of less than three months and earn average interest rates ranging from 3.0% to 4.0% per annum.

6. SHORT-TERM TRADE RECEIVABLES AND CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS

VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables	2,034,510,985,201	1,348,736,174,580
Construction contract receivables based on agreed progress billings	532,836,195,253	532,717,915,551
TOTAL	2,567,347,180,454	1,881,454,090,131
Provision for doubtful short-term receivables	(119,126,470,478)	(93,134,006,764)
NET	2,448,220,709,976	1,788,320,083,367
<i>In which:</i>		
Amount due from third parties	2,567,317,180,454	1,881,359,463,486
Amount due from a related party (Note 33)	30,000,000	94,626,645

Details of movements of provision for doubtful short-term receivables during the year are as follows:

VND

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	93,134,006,764	57,790,190,301
Add: Provision created during the year	26,223,009,911	35,360,798,232
Less: Reversal of provision during the year	(230,546,197)	(16,981,769)
Ending balance	119,126,470,478	93,134,006,764



as at 31 December 2021 and for the year then ended

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Bachy Soletanche Vietnam	8,605,724,043	-
Vestas Wind Technology Vietnam LLC	2,238,202,629	163,706,100,000
Vestas Asia Pacific A/S	-	209,464,258,125
Others	133,970,889,349	202,027,565,100
TOTAL	144,814,816,021	575,197,923,225
Provision for doubtful short-term advances to suppliers	-	(1,770,000,000)
NET	144,814,816,021	573,427,923,225

8. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	372,122,761,655	253,933,519,330
Capital contribution in Business Cooperation Contracts	148,037,706,360	-
Advances for investments (*)	93,388,984,258	47,693,814,120
Interest income	36,000,867,106	56,350,036,068
Dividend receivable	18,592,171,600	54,869,698,400
Advances for employees	16,855,075,624	19,468,994,029
Deposit for project implementation	11,067,594,068	27,783,883,528
Others	48,180,362,639	47,767,093,185
Long-term	37,189,676,300	50,793,122,087
Advances for land compensation	28,532,319,900	28,532,319,900
Deposits	8,657,356,400	22,260,802,187
TOTAL	409,312,437,955	304,726,641,417
<i>In which:</i>		
Receivables from third parties	390,728,478,684	213,727,834,438
Receivables from related parties (Note 33)	18,583,959,271	90,998,806,979

(*) These amount represent the advance for investments of the Group. At the date of preparation of those consolidated financial statements, the Group is in the process of completing administrative procedures relating to these investments.

Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

9. BAD DEBTS

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VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Mechanical and refrigeration electrical engineering	214,209,674,679	(107,512,505,085)	143,638,829,124	(90,335,212,986)
Real estate	-	-	1,770,000,000	(1,770,000,000)
Power and water	12,369,350,698	(11,613,965,393)	4,251,707,260	(2,798,793,778)
TOTAL	226,579,025,377	(119,126,470,478)	149,660,536,384	(94,904,006,764)
				53,303,616,138
				1,452,913,482
				54,756,529,620



as at 31 December 2021 and for the year then ended

10. INVENTORIES

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventories	806,472,650,348	(6,571,835,380)	761,773,998,411	(6,050,887,195)
- Raw materials	342,647,386,037	(1,484,424,857)	165,711,151,828	(2,590,144,955)
- Finished and merchandise goods	189,705,896,518	(5,087,410,523)	155,988,831,144	(3,460,742,240)
- Work in process	251,472,511,794	-	428,823,178,808	-
- Goods in transit	22,346,617,370	-	10,966,041,340	-
- Tools and supplies	300,238,629	-	284,795,291	-
Inventory properties	-	-	51,783,933,261	-
- Nam Le Loi Project	-	-	38,867,291,472	-
- Duc Giang Project	-	-	3,978,787,034	-
- Other projects	-	-	8,937,854,755	-
TOTAL	806,472,650,348	(6,571,835,380)	813,557,931,672	(6,050,887,195)

Details of movements of provision for obsolete inventories during the year are as follows:

VND

	Current year	Previous year
Beginning balance	(6,050,887,195)	(12,462,748,812)
Add: Provision provided during the year	(2,419,794,407)	(1,671,341,207)
Less: Reversal of provision during the year	1,898,846,222	8,083,202,824
Ending balance	(6,571,835,380)	(6,050,887,195)

11. Long-term PREPAID EXPENSES

VND

	Ending balance	Beginning balance
Prepaid land rental	207,509,835,074	213,096,048,798
Shared interconnection facilities at Wind Power Plant	89,992,056,850	-
Tools and supplies	7,002,984,214	2,431,848,927
Supporting cost for removing to has the rights to use the Quang Trung Tower	-	30,794,573,661
Others	25,223,827,634	27,132,755,842
TOTAL	329,728,703,772	273,455,227,228

Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

12. TANGIBLE FIXED ASSETS

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VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	1,431,825,354,929	2,810,790,530,138	156,142,482,668	18,273,321,852	15,777,651,101	4,432,809,340,688
Acquisition of subsidiaries	9,819,790,803,741	3,087,778,782,533	48,016,757,093	12,249,074,780	158,500,000	12,967,993,918,147
Transfer from construction in progress	171,351,717,721	3,548,918,823,869	139,817,423,360	-	-	3,860,087,964,950
New purchase	1,920,387,000	12,426,085,591	13,787,365,351	1,062,054,546	-	29,195,892,488
Reclassification	(786,465,455)	-	-	-	786,465,455	-
Disposal subsidiary	(27,218,211,665)	-	(4,189,592,728)	(714,474,547)	(786,465,455)	(32,908,744,395)
Disposals	(204,226,560)	(572,539,579)	(1,155,021,136)	(1,500,082,641)	-	(3,431,869,916)
Ending balance	11,396,679,359,711	9,459,341,682,552	352,419,414,608	29,369,893,990	15,936,151,101	21,253,746,501,962
In which:						
Fully depreciated	113,815,331,312	1,146,833,201,733	91,989,601,428	18,985,362,172	360,500,000	1,371,983,996,645
Collateral (Note 24.2)	8,247,521,730,093	3,628,955,438,427	4,449,657,729	368,083,615	146,429,087	11,881,441,338,951
Accumulated depreciation:						
Beginning balance	558,665,727,429	1,233,990,443,766	104,273,990,254	15,128,153,228	1,819,552,909	1,913,877,867,586
Depreciation for the year	429,724,589,058	285,624,615,408	13,375,555,482	1,594,194,419	1,028,812,888	731,347,767,255
Acquisition of subsidiaries	1,669,208,319,141	924,575,100,338	31,993,384,554	4,738,945,723	25,916,221	2,630,541,665,977
Disposal subsidiary	(6,467,777,100)	-	(3,429,654,738)	(516,396,852)	(117,969,822)	(10,531,798,512)
Reclassification	-	-	2,988,179	-	-	-
Disposals	(204,226,560)	(471,570,183)	(1,120,771,768)	(1,488,810,890)	-	(3,285,379,401)
Ending balance	2,650,926,631,968	2,443,718,589,329	145,095,491,963	19,453,097,449	2,756,312,196	5,261,950,122,905
Net carrying amount:						
Beginning balance	873,159,627,500	1,576,800,086,372	51,868,492,414	3,145,168,624	13,958,098,192	2,518,931,473,102
Ending balance	8,745,752,727,743	7,015,623,093,223	207,323,922,645	9,916,796,541	13,179,838,905	15,991,796,379,057



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13. INTANGIBLE ASSETS

VND

	Land use rights	Softwares	Other	Total
Cost:				
Beginning balance	73,878,478,451	9,714,177,464	30,340,000	83,622,995,915
New purchase	-	1,528,000,000	-	1,528,000,000
Disposal subsidiary	(252,767,590)	(125,000,000)	(30,340,000)	(408,107,590)
Ending balance	73,625,710,861	11,117,177,464	-	84,742,888,325
<i>In which:</i>				
Fully amortised	363,000,000	6,738,382,264	30,340,000	7,131,722,264
Collateral (Note 24.2)	2,713,395,836	-	-	2,713,395,836
Accumulated amortisation:				
Beginning balance	8,733,720,103	9,005,523,180	30,340,000	17,769,583,283
Depreciation for the year	791,673,372	468,813,647	-	1,260,487,019
Disposal subsidiary	-	(125,000,000)	(30,340,000)	(155,340,000)
Ending balance	9,525,393,475	9,349,336,827	-	18,874,730,302
Net carrying amount:				
Beginning balance	65,144,758,348	708,654,284	-	65,853,412,632
Ending balance	64,100,317,386	1,767,840,637	-	65,868,158,023

14. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
Cost of solar power systems installation on the roof	113,940,549,760	15,668,501,697
Vinh Son hydropower project No.2 & No.3	98,308,623,045	-
Office Leasing Project costs	92,376,666,512	53,314,467,759
Thuong Kon Tum hydropower project	74,131,385,802	-
Loi Hai 2 wind power project	5,609,653,943	11,635,371,305
Phu Lac 2 wind power project	2,519,491,743	4,092,411,437
Tra Vinh wind power project	-	165,060,497,674
Other projects	19,066,789,316	26,183,262,746
TOTAL	405,953,160,121	275,954,512,618

As disclosed at Note 24, The Group has pledged cost of solar power systems projects and other projects to secure its bank loan facilities (Note 24).

Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

15. INVESTMENT PROPERTIES

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VND

	Buildings and structures (*)	Machinery and equipment	Others	Total
Cost:				
Beginning balance	1,959,936,776,403	656,202,444,490	546,453,001	2,616,685,673,894
Transfer from construction in progress	23,754,510,491	-	-	23,754,510,491
New purchase	-	7,914,525,605	-	7,914,525,605
Disposal subsidiary	(141,226,381,943)	-	-	(141,226,381,943)
Ending balance	1,842,464,904,951	664,116,970,095	546,453,001	2,507,128,328,047
<i>In which:</i>				
Fully depreciated	92,254,189,337	231,956,050,944	546,453,001	324,756,693,282
Collateral (Note 24.2)	1,175,188,008,995	305,554,978,316	-	1,480,742,987,311
Accumulated depreciation:				
Beginning balance	520,663,848,689	322,408,458,133	546,453,001	843,618,759,823
Depreciation for the year	72,517,333,695	52,671,270,190	-	125,188,603,885
Disposal subsidiary	(32,011,313,208)	-	-	(32,011,313,208)
Ending balance	561,169,869,176	375,079,728,323	546,453,001	936,796,050,500
Net carrying amount:				
Beginning balance	1,439,272,927,714	333,793,986,357	-	1,773,066,914,071
Ending balance	1,281,295,035,775	289,037,241,772	-	1,570,332,277,547

The fair value of the investment properties was not formally assessed and determined as at 31 December 2021. However, given the current high occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.



Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

16. INVESTMENTS

	Ending balance	Beginning balance
VND		
Short-term		
Held-for-trading securities (Note 16.1)	72,553,563,045	432,981,930,767
Provision for diminution in value of held-for-trading securities (Note 16.1)	(293,908,798)	(953,161,365)
Held-to-maturity investments (Note 16.2)	841,268,588,328	896,530,452,258
Net value of short-term investments	913,528,242,575	1,328,559,221,660
Long-term		
Investments in associates (Note 16.3)	5,744,934,766,391	8,449,674,018,847
Investments in other entities (Note 16.4)	286,508,615,133	307,894,164,509
Held-to-maturity investments (Note 16.2)	230,000,000,000	530,000,000,000
Provision for long-term investments (Note 16.4)	-	(413,545,759)
Net value of long-term investments	6,261,443,381,524	9,287,154,637,597
TOTAL	7,174,971,624,099	10,615,713,859,257



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Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

16. INVESTMENTS (continued)

16.1 Held-for-trading securities

Securities	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Quang Ninh Thermal Power Joint Stock Company	49,318,149,758	-	404,643,411,920	-
Others	23,235,413,287	(293,908,798)	28,338,518,847	(953,161,365)
TOTAL	72,553,563,045	(293,908,798)	432,981,930,767	(953,161,365)
			83,791,007,000	426,963,565,400
			22,941,600,105	27,385,398,648
			106,732,607,105	454,348,964,048

VND

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16.2 Held-to-maturity investments

	Ending balance	Beginning balance
VND		
Short-term		
Finance institution deposits (*)	841,268,588,328	896,530,452,258
HPXH2122011_BOND (**)	791,268,588,328	896,530,452,258
	50,000,000,000	-
Long-term		
TCSCH_BOND_2021 (**)	230,000,000,000	530,000,000,000
VCIH_BOND_2021 (**)	100,000,000,000	-
VSH_BOND_2019 (**)	100,000,000,000	-
Other	-	500,000,000,000
TOTAL	1,071,268,588,328	1,426,530,452,258

(*) These represent the term deposits with original maturities of more than three (3) months and less than (12) months and earn average interest rates ranging from 3.3 % to 7.7% per annum.



Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

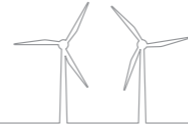
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16. INVESTMENTS (continued)

16.2 Held-to-maturity investments (continued)

(*) Details of bonds as at 31 December 2021 with interest rates ranging from 7.0% to 10.0% respectively are the followings:

Arrangement organization for issuing	Issuing Organization	Ending balance VND	Maturity date	Purpose	Assets security
Short-term Bond					
Hai Phat Investment Joint Stock Company	Hai Phat Investment Joint Stock Company	50,000,000,000	24 December 2022	Funding for project Hai Yen residential area, Mong Cai City	Land use rights for 177 adjacent lots, villas and shophouses in the Urban Residential Area project at km ³ , km ⁴ Hai Yen Ward, Mong Cai City
Long-term Bond					
Techcom Securities Joint Stock Company	Techcom Securities Joint Stock Company	100,000,000,000	16 January 2023	-	Unsecured
Viet Capital Securities Joint Stock Company	Viet Capital Securities Joint Stock Company	100,000,000,000	12 November 2023	-	Unsecured



Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

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16. INVESTMENTS (continued)

16.3 Investments in associates

Name of associates	Ending balance		Beginning balance		Business activities
	% of interest	Amount VND	% of interest	Amount VND	
Vinh Son – Song Hinh Hydropower Joint Stock Company ("VSH") (i)	-	-	49.52	2,132,134,381,108	Hydropower
Thac Mo Hydropower Joint Stock Company	42.63	619,373,188,815	42.63	686,339,328,952	Hydropower
Song Ba Ha Hydropower Joint Stock Company (ii)	25.76	576,650,093,726	25.76	670,488,001,191	Hydropower
Central Hydropower Joint Stock Company	23.75	659,559,922,261	22.68	625,586,217,838	Hydropower
IDICO Srok Phu Mieng Hydropower Joint Stock Company	34.30	202,686,076,333	34.30	188,823,284,939	Hydropower
Binh Dien Hydropower Joint Stock Company	25.47	94,380,993,280	25.47	77,182,114,608	Hydropower
Thac Ba 2 Investment Hydropower Joint Stock Company (iii)	29.60	35,666,129,184	-	-	Hydropower
Pha Lai Thermal Power Joint Stock Company ("PPC") (iv)	24.14	1,197,151,528,744	24.14	1,580,304,676,530	Thermal power
Ninh Binh Thermal Power Joint Stock Company	29.45	78,677,911,640	29.45	80,089,416,268	Thermal power
Song Da Water Investment Joint Stock Company	35.95	900,793,555,672	35.95	830,425,253,519	Water supply
Thu Duc Water B.O.O Corporation	42.07	303,687,002,433	42.07	294,863,092,924	Water supply
Saigon Water Investment and Trading Joint Stock Company	40.00	321,451,854,101	40.00	261,170,447,450	Water supply
Khanh Hoa Water Supply Joint Stock Company ("KHW")	43.88	255,959,874,370	43.88	257,888,053,087	Water supply
Tan Hiep Water Investment Joint Stock Company	32.00	123,394,017,115	32.00	119,246,018,747	Water supply
Thu Duc Water Supply Joint Stock Company	44.17	79,048,269,063	44.17	75,214,801,898	Water supply
Nha Be Water Supply Joint Stock Company	20.02	41,546,634,337	20.02	41,342,747,776	Water supply
Gia Dinh Water Supply Joint Stock Company	20.05	34,086,369,760	20.05	33,668,217,799	Water supply
Trinh Xa Da Hoi Company Limited (v)	-	-	18.73	251,696,358,795	Real estate
Saigon Real Estate Joint Stock Company	28.87	192,039,099,649	28.87	209,586,464,820	Real estate
Doan Nhat Mechanical Electrical Joint Stock Company	31.82	28,782,245,908	31.82	33,625,140,598	Mechanical and Engineering
TOTAL		5,744,934,766,391		8,449,674,018,847	

Notes To The Consolidated Financial Statements (continued)

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16. INVESTMENTS (continued)

16.3 Investments in associates (continued)

- (i) During the year, the Group has completed the the increase in ownership of VSH from 49.52% to 50.45%. Accordingly, VSH has become the subsidiary of the Group (Note 4).
- (ii) 32,000,000 shares of Song Ba Ha Hydropower Joint Stock Company, which are owned by the Group, were pledged as collateral for the Company's domestic straight bonds – REE-BOND 2029 (Note 25.3).
- (iii) During the year, the Group has completed the capital contribution of VND 35,666,129,184 equivalent to 29.60% ownership rate of Thac Ba 2 Hydropower Joint Stock Company.
- (iv) 35,525,776 shares of Pha Lai Thermal Power Joint Stock Company, which are owned by the Group, were pledged as collateral for the Company's domestic straight bonds – REEBOND 2017 (Note 25.3).
- (v) During the year, the Group has completely disposed equity interest of VIID, the Company's indirect subsidiary, in accordance with the Decision of Board of Directors No. 17/2021/NQ-HDQT of REE dated 4 August 2021. Accordingly, Trinh Xa Da Hoi Company Limited is no longer an associate of the Group from that day.

Notes To The Consolidated Financial Statements (continued)

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16. INVESTMENTS (continued)

16.3 Investments in associates (continued)

Details of these investments in associates which were consolidated by applying equity method are presented as follows:

VND

	Cost of investment				Accumulated share of post-acquisition profit (loss) of the associates				Carrying amount			
	Beginning balance	Additions	Decrease	Reclassification	Ending balance	Beginning balance	Dividend declared during the year	Share of profit of associates for the year	Reclassification	Ending balance	Beginning balance	Ending balance
Vinh Son - Song Hinh Hydropower JSC	1,973,792,057,976	191,389,689,205	-	(2,165,181,747,181)	-	158,342,323,132	-	49,452,684,410	(207,795,007,542)	-	2,132,134,381,108	-
Thac Mo Hydropower JSC	382,178,855,776	-	-	-	382,178,855,776	304,160,473,176	(215,770,240,200)	1,48,804,100,063	-	237,194,333,039	686,339,328,952	619,373,188,815
Song Ba Ha Hydropower JSC	368,000,000,000	-	-	-	368,000,000,000	302,488,001,191	(207,360,000,000)	113,522,092,535	-	208,650,093,726	670,488,001,191	576,650,093,726
Central Hydropower JSC	615,869,678,462	34,699,064,641	-	-	650,568,743,103	9,716,539,376	(63,319,683,200)	52,594,322,982	-	8,991,179,188	625,886,217,838	659,559,922,261
IDCO Sok Phu Mieg Hydropower JSC	173,265,171,175	-	-	-	173,265,171,175	15,558,113,764	(18,520,671,600)	32,383,462,994	-	29,420,905,158	188,823,284,939	202,686,076,333
Binh Dien Hydropower JSC	59,910,716,000	-	-	-	59,910,716,000	17,271,398,608	(3,947,960,000)	21,146,838,672	-	34,470,277,280	77,182,114,608	94,380,993,280
Pha Lai Thermal Power JSC	825,727,978,499	-	-	-	825,727,978,499	754,576,698,031	(429,084,965,440)	45,931,717,654	-	371,423,550,245	1,580,304,676,530	1,197,151,528,744
Ninh Binh Thermal Power JSC	66,358,149,275	-	-	-	66,358,149,275	13,731,266,993	(5,684,100,000)	4,272,596,372	-	12,319,762,365	80,089,416,268	78,677,911,640
Song Da Water Investment JSC	691,163,889,610	-	-	-	691,163,889,610	139,261,363,909	-	70,368,302,153	-	209,629,666,062	830,425,253,519	900,793,555,672
Thu Duc Water E.O.O Corporation	409,901,420,000	-	-	-	409,901,420,000	(115,038,327,076)	(51,642,932,000)	60,466,841,509	-	(106,214,417,567)	294,863,092,924	303,687,002,433
Saigon Water Investment and Trading JSC	61,560,000,000	-	-	-	61,560,000,000	199,610,447,450	(23,999,800,000)	84,281,206,651	-	259,891,854,101	261,170,447,450	321,451,854,101
Khanh Hoa Water Supply JSC	254,626,200,010	-	-	-	254,626,200,010	3,261,853,077	(13,451,918,400)	11,523,739,682	-	1,333,674,359	257,888,053,087	255,959,874,370
Tan Hiep Water Investment JSC	76,800,000,000	-	-	-	76,800,000,000	42,446,018,747	(49,920,000,000)	54,067,998,368	-	46,594,017,115	119,246,018,747	123,394,017,115
Thu Duc Water Supply JSC	68,375,426,417	-	-	-	68,375,426,417	6,839,375,481	(4,505,664,000)	83,391,131,165	-	10,672,842,646	752,14,801,898	79,048,269,063
Nha Be Water Supply JSC	40,176,895,080	-	-	-	40,176,895,080	1,165,652,696	(2,400,310,000)	2,604,196,561	-	1,369,739,257	41,342,747,776	41,546,634,337
Gia Dinh Water Supply JSC	24,809,965,209	-	-	-	24,809,965,209	8,858,252,590	(1,904,688,000)	2,322,839,961	-	9,276,404,551	33,666,217,799	34,086,367,600
Saigon Real Estate JSC	54,457,202,000	-	-	-	54,457,202,000	155,129,262,820	(2,597,800,500)	8,431,236,329	-	137,581,897,649	209,586,484,820	192,039,099,649
Trinh Xa Da Hoi Company Limited	251,670,000,000	-	(251,670,000,000)	-	-	26,358,795	-	(26,358,795)	-	-	251,696,388,795	-
Thac Ba 2 Investment Hydropower JSC	-	35,770,000,000	-	-	35,770,000,000	-	-	(103,870,816)	-	(103,870,816)	-	35,666,129,184
Doan Nhat Mechanical Electrical JSC	15,050,000,000	-	-	-	15,050,000,000	18,575,140,598	(8,618,610,000)	3,771,531,000	-	13,732,245,908	33,625,140,598	28,782,245,908
TOTAL	6,413,693,605,489	261,858,753,846	(251,670,000,000)	(2,165,181,747,181)	4,258,700,612,154	2,035,980,413,388	(1,116,110,043,340)	774,158,791,760	(207,795,007,542)	1,486,234,154,236	8,449,674,018,847	5,744,934,766,391



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as at 31 December 2021 and for the year then ended

16. INVESTMENTS (continued)**16.4 Investments in other entities**

VND

Name of companies	Ending balance		Beginning balance		Fair value
	Cost	Provision	Cost	Provision	
Hai Phong Thermal Power Joint Stock Company	32,619,000,000	-	53,700,000,000	-	57,000,000,000
Others	253,889,615,133	-	274,577,987,529	(413,545,759)	310,554,663,770
TOTAL	286,508,615,133	-	307,894,164,509	(413,545,759)	367,554,663,770

17. GOODWILL

VND

	Muong Hum		VSH		Thuan Binh		Others		Total
	Cost	Provision	Cost	Provision	Cost	Provision	Cost	Provision	
Cost:									
Beginning balance	256,604,003,370	-	17,853,543,987	-	99,752,959,069	-	374,210,506,426	-	374,210,506,426
Acquisition of a subsidiary	-	94,179,342,393	-	-	6,187,954,515	-	100,367,296,908	-	100,367,296,908
Ending balance	256,604,003,370	94,179,342,393	17,853,543,987	-	105,940,913,584	-	474,577,803,334	-	474,577,803,334
Accumulated amortisation:									
Beginning balance	29,937,133,725	-	1,785,354,399	-	99,752,959,069	-	131,475,447,193	-	131,475,447,193
Amortisation for the year	25,660,400,335	7,063,450,679	1,785,354,398	7,063,450,679	464,096,590	-	34,973,302,002	-	34,973,302,002
Ending balance	55,597,534,060	7,063,450,679	3,570,708,797	7,063,450,679	100,217,055,659	-	166,448,749,195	-	166,448,749,195
Net carrying amount:									
Beginning balance	226,666,869,645	-	16,068,189,588	-	242,735,059,233	-	242,735,059,233	-	242,735,059,233
Ending balance	201,006,469,310	87,115,891,714	14,282,835,190	87,115,891,714	5,723,857,925	-	308,129,054,139	-	308,129,054,139

Notes To The Consolidated Financial Statements (continued)

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as at 31 December 2021 and for the year then ended

18. SHORT-TERM TRADE PAYABLES

VND

	Ending balance	Beginning balance
Hydrochina Huadong Engineering Coporation – CR 18G	83,637,972,001	-
Thong Hiep Co., Ltd	-	13,500,000,000
LONGi Solar Technology Co., Ltd	-	174,146,147,124
Others	576,096,177,360	445,358,880,230
TOTAL	659,734,149,361	633,005,027,354

19. SHORT-TERM ADVANCES FROM CUSTOMERS

VND

	Ending balance	Beginning balance
Supply and installation services	815,770,151,924	784,464,828,351
Office leasing and related services	-	2,763,746,569
Others	6,086,175,843	3,437,404,527
TOTAL	821,856,327,767	790,665,979,447

20. STATUTORY OBLIGATIONS

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending balance
Payables				
Corporate income tax	54,485,451,544	330,429,144,616	(227,361,043,487)	157,553,552,673
Value-added tax	11,862,010,007	577,598,778,188	(545,948,016,383)	43,512,771,812
Personal income tax	3,563,684,408	35,017,600,922	(34,231,744,860)	4,349,540,470
Others	4,654,214,888	369,824,934,917	(321,160,332,160)	53,318,817,645
TOTAL	74,565,360,847	1,312,870,458,643	(1,128,701,136,890)	258,734,682,600
Receivables				
Corporate income tax	4,623,494,779	2,969,220,111	(2,610,431,419)	4,982,283,471
Others	1,435,655,087	4,405,767,025	(5,726,872,991)	114,549,121
TOTAL	6,059,149,866	7,374,987,136	(8,337,304,410)	5,096,832,592



Notes To The Consolidated Financial Statements (continued)

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as at 31 December 2021 and for the year then ended

21. SHORT-TERM ACCRUED EXPENSES

VND

	Ending balance	Beginning balance
Interest expense	340,793,304,100	93,543,258,728
Costs of supply and installation services	334,345,158,590	370,199,655,951
Accrued construction expenses	146,831,589,924	-
Promotions	2,405,353,460	932,617,111
Others	46,601,873,704	62,154,950,760
TOTAL	870,977,279,778	526,830,482,550

22. UNEARNED REVENUE

VND

	Ending balance	Beginning balance
Short-term	1,670,313,750	7,751,271,002
Rentals received in advance from leasing the Quang Trung Tower	-	6,600,000,000
Others	1,670,313,750	1,151,271,002
Long-term	-	264,597,567,171
Rentals received in advance from leasing the Quang Trung Tower	-	229,900,000,000
Others	-	34,697,567,171
TOTAL	1,670,313,750	272,348,838,173

23. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Short-term	142,022,151,735	85,219,286,381
Dividend payables	75,748,884,338	47,229,522,005
Purchase of investments	7,249,838,995	10,670,827,732
Deposits	-	5,632,658,744
Others	59,023,428,402	21,686,277,900
Long-term	444,716,864,549	231,568,542,182
Deposits received from office tenants	242,200,367,403	231,568,542,182
Guarantee fee (*)	202,516,497,146	-
TOTAL	586,739,016,284	316,787,828,563

(*) This is guarantee fee for contract execution of Vinh Son - Song Hinh Hydropower Joint Stock Company with Hydrochina Huadong Engineering Coporation - CR 18G. As at 31 December 2021, the management has assessed that the Company is not expected to pay this guarantee fee within the next 12 months or within a business cycle.

Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

24. LOANS

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VND

	Beginning balance	Withdraw	Acquisition of subsidiaries	Repayment	Reclassification	Revaluation	Allocation of bond issuance expenses	Ending balance
Short-term	1,264,637,519,063	1,130,046,158,224	250,958,080,635	(2,198,494,312,527)	796,473,445,095	(9,635,053,929)	-	1,233,985,836,561
Loans from banks (Note 24.1)	595,137,439,931	1,106,966,158,224	2,901,143,295	(1,336,268,196,947)	-	-	-	368,736,544,503
Loan to others	-	23,080,000,000	-	(10,937,335,920)	-	-	-	12,142,664,080
Current portion from banks of long-term loans (Note 24.2)	419,500,079,132	-	239,821,643,222	(593,288,779,660)	538,708,739,213	(9,635,053,929)	-	595,106,627,978
Current portion of domestic straight bonds (Note 24.3)	250,000,000,000	-	8,235,294,118	(258,000,000,000)	257,764,705,882	-	-	258,000,000,000
Long-term	4,334,710,938,577	2,841,686,537,357	4,535,937,037,104	(141,612,132,331)	(796,473,445,095)	(40,483,246,858)	6,207,124,754	10,739,972,813,508
Loans from financial institutions (Note 24.2)	1,800,120,641,029	2,841,686,537,357	4,348,753,497,544	(141,612,132,331)	(538,708,739,213)	(40,483,246,858)	-	8,269,756,557,528
Domestic straight bonds (Note 24.3)	2,534,590,297,548	-	187,183,539,560	-	(257,764,705,882)	-	6,207,124,754	2,470,216,255,980
TOTAL	5,599,348,457,640	3,971,732,695,581	4,786,895,117,739	(2,340,106,444,858)	-	(50,118,300,787)	6,207,124,754	11,973,958,650,069

24.1 Short-term bank loans

Group obtained short-term loans from banks to finance its working capital requirements. The short-term bank loans bear interest at the average rate ranging from 3.5% to 7.5% per annum as the balance sheet date. Details are as follows:

Bankers	Ending balance	Maturity date	Description of collateral
	VND		
Joint Stock Bank for Foreign Trade of Vietnam	178,328,909,216	From 5 January 2022 to 29 June 2022	Unsecured
Malayan Banking Berhad - Ho Chi Minh Branch	152,980,896,106	From 14 Feb 2022 to 28 Jun 2022	Unsecured
HSBC Bank (Vietnam) Ltd.	37,426,739,181	From 1 April 2022 to 13 June 2022	Unsecured
TOTAL	368,736,544,503		



Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

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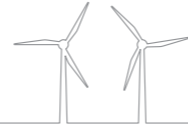
24. LOANS (continued)

24.2 Long-term financial institution loans

The Group obtained long-term financial institution loans and domestic straight bonds to finance its implementation investments project. The long-term bank loans and domestic straight bonds bear interest at the average rate in EUR at 1.25% per annum, in USD ranging from 2.00% to 2.30% + LIBOR per annum and in VND ranging from 3.57% to 8.90% per annum.

Details of long-term financial institution loans are as follows:

Bank	Ending balance	Maturity date	Description of collateral
VND			
International Finance Corporation - IFC			
- No. 444653 (USD)	1,148,000,000,000	15 March 2033	The movables and other property rights related to the Phu Lac 2 Wind Power Plant and Loi Hai 2 Wind Power Plant projects of Thuan Binh, the Group's subsidiary, located in Binh Thuan Province. The Thuan Binh's accounts receivable of EVN's proceeds from the implementation of the above two projects, and Thuan Binh's accounts related to this loan agreement belonging to Thuan Binh. All shares of REE Energy owned in Thuan Binh
Bank for Investment and Development of Vietnam Joint Stock Company ("BIDV") - Binh Dinh Branch			
- No. 01/2015/HDTD with credit limit of VND 850 billion	802,696,914,219	8 October 2030	(i)
- No. 01/2017/HDTD with credit limit of VND 600 billion	574,765,000,000	8 October 2030	
Joint-Stock Commercial Bank for Foreign Trade of Vietnam - Kon Tum Branch			
- No. 01/2015/HDTD with credit limit of VND 700 billion	661,907,146,384	13 July 2030	(i)
- No. 01/2017/HDTD with credit limit of VND 500 billion	474,647,998,000	13 July 2030	



Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

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24. LOANS (continued)

24.2 Long-term financial institution loans (continued)

Details of long-term financial institution loans are as follows: (continued)

Bank	Ending balance	Maturity date	Description of collateral
VND			
Raiffeisen Landesbank Oberosterreich Bank (ii)			
Agreement dated 28 March 2013 (USD)	544,465,249,175	30 June 2029	Guarantee by BIDV - Binh Dinh Branch as pledged by term deposit of VND 35 billion of Vinh Son - Song Hinh, the Group's subsidiary.
Joint Stock Commercial Bank For Foreign Trade of Vietnam - Binh Tay Branch			
- 021C16	561,605,734,748	2 February 2028	Land use rights and assets, including building and structure and other asset rights of the project Etown Central of Song Mai, the Group's subsidiary, located at No. 11 Doan Van Bo Street, District 4, Ho Chi Minh City
EVN Finance Joint Stock Company			
- 01/2014/HDCVL/TCDL/TBW/Phu Lac (EUR)	453,866,931,376	30 December 2027	All assets related to Phu Lac Wind Power Factory of Thuan Binh, located at Tuy Phong District, Binh Thuan Province
Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank") - Hiep Phu Branch			
- No. 04/2015/HDTD with credit limit of VND 950 billion	436,988,149,186	22 September 2030	(i)
HSBC Bank (Vietnam) Ltd.			
- VNM160065/TCM	377,569,240,957	27 November 2027	All machineries and equipment are solar panels and other equipment related to rooftop solar power system from REE Solar and/or subsidiaries

Notes To The Consolidated Financial Statements (continued)

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as at 31 December 2021 and for the year then ended

24. LOANS (continued)

24.2 Long-term financial institution loans (continued)

Details of long-term financial institution loans are as follows: (continued)

Bank	Ending balance	Maturity date	Description of collateral
VND			
Asia Commercial Bank ("ACB") - Binh Dinh Branch			
- No. 01/2015/HDTD with credit limit of VND 950 billion	413,130,500,000	22 September 2030	(i)
Joint-Stock Commercial Bank for Foreign Trade of Vietnam - Gia Lai Branch			
- No. 01/2015/HDTD with credit limit of VND 400 billion	376,787,562,524	13 July 2030	(i)
HSBC Bank (Vietnam) Ltd.			
- VNMI70276CM	212,142,857,142	24 July 2024	Land use rights, building and amount receivable from office lease of REE Tower at 9 Doan Van Bo Street, District 4, Ho Chi Minh City ("REE Tower")
Joint Stock Commercial Bank For Foreign Trade of Vietnam - Hanoi Branch			
01/2019/HDDCVDADDT/NHCT106-MHP	255,828,614,397	8 June 2026	Land use rights and attached assets, including machineries and other asset rights formed loan and equity of the project Muong Hum Hydro-power of Muong Hum, the Group's subsidiary.
Shinhan Bank Vietnam			
- SHBVN/BC/HDTD/REE/201805	143,909,364,995	8 May 2026	Land attached assets formed loan of the Company located at No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City

Notes To The Consolidated Financial Statements (continued)

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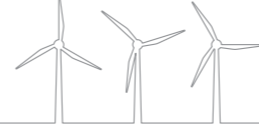
as at 31 December 2021 and for the year then ended

24. LOANS (continued)

24.2 Long-term financial institution loans (continued)

Details of long-term financial institution loans are as follows: (continued)

Bank	Ending balance	Maturity date	Description of collateral
VND			
Vietnam Development Bank - Central South Branch (iii)			
- 01/TDNN (USD)	102,775,372,731	1 June 2035	A part of assets belong to Song Hinh Hydropower Plant.
Joint Stock Commercial Bank For Foreign Trade of Vietnam			
- 0094/2038/D-DA/01	1,142,072,200,000	20 September 2033	All assets, machinery and equipment formed in the future belong to Tra Vinh Wind Power Plant Project V1-3 Property rights arising from the Project
- 0146/2038/D-DA/01	40,355,550,000	19 January 2029	A part of machinery and equipment of solar panels related to
- 562/TBN-KDN/21DH	46,473,656,339	2 February 2029	rooftop solar power system from the Company and its sub-
- 0001/2138/D-DA/01	49,769,510,000	2 August 2029	sidaries; and letter of guarantee from Refrigeration Electrical
- 0002/2138/D-DA/01	45,105,633,333	2 February 2029	Engineering Corporation
TOTAL	8,864,863,185,506		
<i>In which:</i>			
Current portion	595,106,627,978		
Non-current portion	8,269,756,557,528		



as at 31 December 2021 and for the year then ended

24. LOANS (continued)

24.2 Long-term financial institution loans (continued)

- (i) These loans are used to finance construction of Thuong Kon Tum Hydropower Plant of VSH, according to the syndicated loan agreement No 01/2015/TTDA and 01/2017/TTDA between the Group and commercial banks including BIDV - Binh Dinh Branch, Vietcombank - Kon Tum Branch, ACB - Binh Dinh Branch, HDBank - Hiep Phu Branch, and Vietcombank - Gia Lai Branch, among which BIDV - Binh Dinh Branch acts as agent bank and the agent for secured assets, including the entire land use rights, machinery and equipment, means of transportation and other assets which are being formed from Thuong Kon Tum Hydropower Plant. In addition, BIDV provides the guarantee contract No. 01/2014/HDBL/BIDV-VSH as collateral for the loan from Raiffeisen Landesbank Oberosterreich Bank with the limit of USD 30,634,865.8.
- (ii) On 28 March 2013, VSH, the Group's subsidiary, signed an Export Credit Agreement with Raiffeisen Landesbank Oberosterreich Bank. The loans are used to finance 80% of the payment obligations of the Company under the contract for the electromechanical equipment for Thuong Kon Tum Hydropower Plant Project signed on 15 August 2012 with Andritz Hydro GmbH.
- (iii) These loans were from official development assistance ("ODA") of Nodric Development Funds ("NDF") to invest in Song Hinh Hydropower Plant of VSH. On 22 November 2015, the Group took over the loan from Vietnam Electricity upon equitization through a credit contract No. 01/TDNN with Development Fund - Phu Yen Branch (currently the Vietnam Development Bank - Central South Branch). They are non-interest bearing loans with the management fee of 0.2% per annum and service fee of 0.75% per annum.

as at 31 December 2021 and for the year then ended

24. LOANS (continued)

24.3 Domestic straight bonds

Details of this bond as at 31 December 2021 are as follows:

Arrangement organization	Amount
	VND
REE-BOND 2029 (i)	2,318,000,000,000
REEBOND 2017 (ii)	250,000,000,000
VSH_BOND_2019 (iii)	192,000,000,000
Bond issuance costs	(51,771,011,708)
Allocation of bond issuance costs	19,987,267,688
TOTAL	2,728,216,255,980
<i>In which:</i>	
Current portion	258,000,000,000
Non-current portion	2,470,216,255,980

(i) On 28 January 2019, the Company issued 2,318 non-convertible and unwarranted bonds with total value of VND 2,318 billion (the par value per bond is VND 1 billion).

These bonds will be repaid after ten (10) years from the date of issue and they will be repurchased on the maturity date at once.

The proceeds from the bonds are used for the purpose (1) developing in the Company's office leasing on the existing land fund (E.town office area) in Ho Chi Minh City; (2) payment for land use fees, land acquisition; developing the land fund but not to develop land fund in Thu Thiem New Urban Area, Thu Duc City, Ho Chi Minh City.

These bonds are secured by 38,365,168 shares of Thac Ba Hydropower Joint Stock Company, 24,932,630 shares of Muong Hum Hydropower Joint Stock Company and 32,000,000 shares of Song Ba Ha HydroPower Joint Stock Company which are owned by the Group (Notes 1 and 16.3).

(ii) On 28 September 2017 and 18 October 2017, the Company issued 1,000 non-convertible and unwarranted bonds with total value of VND 1,000 billion (the par value per bond is VND 1 billion).

These bonds will be repaid after five (5) years from the date of issuance.

The Company has the obligation to repurchase these bonds before maturity date from date of issuance as follows:

- › 250 issued bonds on the date-end of twenty four (24)-month period from the issuance date;
- › 250 issued bonds on the date-end of thirty six (36)-month period from the issuance date;
- › 250 issued bonds on the date-end of forty eight (48)-month period from the issuance date; and
- › 250 issued bonds on the date-end of sixty (60)-month period from the issuance date.

The proceeds from the bonds are used for the purpose (1) investing in the Company's projects; (2) financing working capital of the Company.

These bonds are secured by 35,525,776 shares of Pha Lai Thermal Power Joint Stock Company which are owned by the Group (Note 16.3).



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24. LOANS (continued)

24.3 Domestic straight bonds (continued)

Details of this bond as at 31 December 2021 are as follows: (continued)

(iii) From 1 October 2019 to 26 June 2020, the Group issued 700 non-convertible bonds with total value of VND 700 billion (par value per bond is VND 1 billion), including only 200 non-convertible bonds was purchased by other parties. And secured by all assets of Vinh Son Hydropower Plant.

The Group has the obligation to repurchase these bonds before maturity date from date of issuance as follows:

- › 4% number of issued bonds on the date-end of twelve (12) month period from the issuance date;
- › 4% number of issued bonds on the date-end of twenty-four (24) month period from the issuance date;
- › 4% number of issued bonds on the date-end of thirty-six (36) month period from the issuance date;
- › 4% number of issued bonds on the date-end of forty-eight (48) month period from the issuance date;
- › 24% number of issued bonds on the date-end of sixty (60) month period from the issuance date;
- › 30% number of issued bonds on the date-end of seventy-two (72) month period from the issuance date; and
- › 30% number of issued bonds on the date-end of eighty-four (84) month period from the issuance date.

The proceeds from the bonds were used for the purpose of investing in Thuong Kon Tum Hydropower Plant of VSH.

The above-mentioned bonds are organized for issuance by Vietcombank Securities Limited Company - Ho Chi Minh branch.

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25. PROVISIONS

Provisions represent the provisions for warranties of installation projects, goods and provision of maintenance, setting and repairing. Details of movement in provisions are as follows:

	Goods warranty	Installation project warranty	Total
Beginning balance	2,008,653,025	56,261,585,345	58,270,238,370
Add: Provision provided during the year	1,380,959,224	28,577,268,533	29,958,227,757
Less: Reversal of provision during the year	(1,236,422,162)	(33,986,639,231)	(35,223,061,393)
Ending balance	2,153,190,087	50,852,214,647	53,005,404,734
In which:			
Short-term	2,153,190,087	17,965,694,181	20,118,884,268
Long-term	-	32,886,520,466	32,886,520,466

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26. OWNERS' EQUITY**26.1 Increase and decrease in owners' equity**

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
Previous year						
Beginning balance	3,100,588,410,000	1,050,489,310,786	(83,026,660)	240,271,674,291	6,005,760,541,830	10,397,026,910,247
Net profit for the year	-	-	-	-	1,628,076,208,584	1,628,076,208,584
Dividend declared	-	-	-	-	(496,081,481,600)	(496,081,481,600)
Appropriation to bonus and welfare funds	-	-	-	-	(2,657,945,783)	(2,657,945,783)
Purchase of treasury shares	-	-	(47,539,203,502)	-	-	(47,539,203,502)
Fund reversal	-	-	-	(1,249,669,244)	1,249,669,244	-
Others	-	-	-	(4,300,410,299)	(21,528,250,130)	(25,828,660,429)
Ending balance	3,100,588,410,000	1,050,489,310,786	(47,622,230,162)	234,721,594,748	7,114,818,742,145	11,452,995,827,517
Current year						
Beginning balance	3,100,588,410,000	1,050,489,310,786	(47,622,230,162)	234,721,594,748	7,114,818,742,145	11,452,995,827,517
Net profit for the year	-	-	-	-	1,855,079,628,131	1,855,079,628,131
Appropriation to bonus and welfare funds	-	-	-	-	(7,121,505,012)	(7,121,505,012)
Others	-	-	-	(42,957,071)	1,063,693,713	1,020,736,642
Ending balance	3,100,588,410,000	1,050,489,310,786	(47,622,230,162)	234,678,637,677	8,963,840,558,977	13,301,974,687,278

VND

Notes To The Consolidated Financial Statements (continued)

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26. OWNERS' EQUITY (continued)**26.2 Capital transactions with shareholders and distribution of dividends**

VND

	Current year	Previous year
Contributed share capital		
Beginning and ending balances	3,100,588,410,000	3,100,588,410,000
Dividends		
Dividends declared	-	496,081,481,600
Dividends paid during the year	166,029,400	491,095,261,950

26.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Issued and paid-up shares	310,058,841	310,058,841
Ordinary shares	310,058,841	310,058,841
Treasury shares		
Ordinary shares	(1,007,915)	(1,007,915)
Shares in circulation		
Ordinary shares	309,050,926	309,050,926

The Company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

26.4 Non-controlling interests

VND

	Current year	Previous year
Beginning balance	759,653,092,112	704,641,629,219
Acquisition of a subsidiary (Note 4)	2,227,232,102,547	3,950,647
Net profit for the year	280,330,619,117	85,425,570,318
Capital contribution during the year	121,000,000,000	62,500,000,000
Increase due to change in ownership interests in subsidiaries	-	23,045,211,804
Disposal of a subsidiary	(212,630,224,062)	-
Dividend declared	(114,104,802,725)	(113,397,617,591)
Appropriation to bonus and welfare funds	(5,696,634,988)	(1,901,054,217)
Others	118,214,345	(664,598,068)
Ending balance	3,055,902,366,346	759,653,092,112



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26. OWNERS' EQUITY (continued)

26.5 Earnings per share

Earnings per share are calculated as follows:

	Current year	Previous year
Net profit after tax attributable to ordinary equity holders (VND)	1,855,079,628,131	1,628,076,208,584
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	1,855,079,628,131	1,628,076,208,584
Weighted average number of ordinary shares	309,050,926	310,050,926
Earnings per share (VND/share)		
- Basic	6,003	5,251
- Diluted	6,003	5,251

There were no potential dilutive ordinary shares as at the balance sheet date.

27. REVENUES

27.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenues	5,815,207,697,974	5,644,088,890,450
Of which:		
Revenue from mechanical and refrigeration electrical engineering	1,821,846,603,638	3,478,558,819,570
Revenue from power and water	3,055,147,984,915	1,178,170,095,327
Revenue from real estate and office leasing	938,213,109,421	987,359,975,553
Less	(5,396,769,153)	(4,336,164,483)
Sales returns	(5,396,769,153)	(4,336,164,483)
NET REVENUES	5,809,810,928,821	5,639,752,725,967
Of which:		
Revenue from mechanical and refrigeration electrical engineering	1,816,449,834,485	3,474,222,655,087
Revenue from power and water	3,055,147,984,915	1,178,170,095,327
Revenue from real estate and office leasing	938,213,109,421	987,359,975,553

27.2 Finance income

VND

	Current year	Previous year
Gains from disposal of investments (*)	270,352,009,087	17,947,490,046
Interest income	98,092,234,828	162,111,197,783
Foreign exchange gains	72,025,326,248	4,252,928,927
Dividends income	19,898,791,651	37,431,419,511
Others	5,676,016,902	62,823,994
TOTAL	466,044,378,716	221,805,860,261

(*) Including in gains from disposal of investments is amount of VND 196,766,110,809 be recognized by the Group arising from disposal of equity interest of VIID, the Company's indirect subsidiary, in accordance with Resolution of the Board of Directors No. 17/2021/NQ-HDQT of the Company dated 4 August 2021.



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28. COSTS OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Cost of mechanical and refrigeration electrical engineering	1,535,056,009,563	2,999,731,156,007
Cost of power and water	1,713,195,754,482	738,613,625,898
Cost of real estate and office leasing	251,528,555,442	295,542,275,272
TOTAL	3,499,780,319,487	4,033,887,057,177

29. FINANCE EXPENSES

VND

	Current year	Previous year
Interest expense and allocation of bond issuance expenses	673,223,734,156	421,839,558,764
Foreign exchange losses	11,246,027,282	53,322,528,553
Loss from disposal of investments	57,483	313,895,454
Reversal of provision for investments	(532,334,956)	(3,748,212,013)
Others	23,539,529,576	2,797,748,852
TOTAL	707,477,013,541	474,525,519,610

30. SELLING EXPENSE AND GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Selling expenses	85,073,572,183	82,735,361,072
Labour costs	50,528,912,312	51,075,800,309
Expenses for external services	16,084,963,271	13,368,630,579
Others	18,459,696,600	18,290,930,184
General and administrative expenses	370,461,124,107	283,713,770,081
Labour costs	207,657,504,297	155,171,831,730
Expenses for external services	71,776,819,761	33,197,674,986
Goodwill amortization	34,973,302,002	27,584,382,076
Provision for doubtful receivables	25,992,463,714	22,011,689,096
Others	30,061,034,333	45,748,192,193
TOTAL	455,534,696,290	366,449,131,153

31. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
Raw materials and merchandise	1,036,743,169,292	2,269,863,886,095
Expenses for external services	818,125,132,659	794,864,292,523
Labour costs	587,957,359,806	551,985,969,936
Depreciation and amortisation (Notes 12, 13, 15 and 17)	892,770,160,161	321,516,852,418
Other expenses	417,050,079,484	288,235,699,180
TOTAL	3,752,645,901,402	4,226,466,700,152



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32. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate from 5% to 20% of taxable profits earned.

The tax returns of the Group are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

32.1 CIT expenses

	VND	
	Current year	Previous year
CIT expense	271,727,132,037	199,252,483,820
Adjustment for (over) under accrual of tax from prior years	(739,163,379)	6,695,756,776
Current CIT expense	270,987,968,658	205,948,240,596
Deferred tax (income) expense	(6,569,186,967)	4,135,453,010
TOTAL	264,418,781,691	210,083,693,606

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	2,399,829,028,939	1,923,585,472,508
At CIT rate of 20% applicable to the Group	479,965,805,788	384,717,094,502
<i>Adjustments to increase (decrease)</i>		
Share of profit of associates	(154,831,758,352)	(182,955,118,657)
Dividends income not subject to CIT	(3,979,758,330)	(7,486,283,902)
Non-deductible expenses	11,009,267,261	8,494,160,381
Adjustment related to Decree No. 132/2020/ND-CP	13,590,963,310	-
Tax losses of subsidiaries	-	9,654,943,815
Goodwill amortization	6,994,660,400	5,516,876,415
Tax loss of subsidiaries carried forward	(6,332,085,483)	(3,204,470,033)
Adjustment for (over) under accrual of CIT in prior years	(739,163,379)	6,695,756,776
Tax incentives at subsidiaries	(71,003,626,507)	-
Differences in tax rate of subsidiaries	(11,078,633,906)	(11,448,325,045)
Others	823,110,889	99,059,354
CIT expense	264,418,781,691	210,083,693,606

Notes To The Consolidated Financial Statements (continued)

as at 31 December 2021 and for the year then ended

32. CORPORATE INCOME TAX (continued)

32.2 Current tax

The current tax payable is based on taxable profit for the year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

32.3 Deferred tax

The following are the deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and previous year.

	VND	
	Ending balance	Beginning balance
	Consolidated income statement	
	Current year	Previous year
Deferred tax assets		
Provision for doubtful receivables	-	6,408,529,916
Accrued operating expenses	2,170,665,083	(9,269,221,520)
Unrealised profit	3,478,603,946	6,332,235,142
Unbilled contract profit (loss)	3,219,849,838	(6,068,142,701)
Provision for obsolete inventories	(297,308,156)	(1,264,641,757)
Provision for investments	(1,353,525,211)	(245,469,052)
Others	518,068,372	(28,743,038)
	40,983,442,290	33,850,243,817
Deferred tax liabilities		
Gains on revaluation of VSH's assets	-	-
Others	(1,167,166,905)	(1,167,166,905)
	(189,180,328,850)	-
Net deferred tax income (expense)	6,569,186,967	(4,135,453,010)



Notes To The Consolidated Financial Statements (continued)

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33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related company transactions include all transactions undertaken with other companies to which the Group is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate group.

Significant transactions with related parties during the year were as follows:

VND

Related parties	Relationship	Transactions	Current year	Previous year
Pha Lai Thermal Power Joint Stock Company	Associate	Dividend income	429,084,865,440	104,484,951,000
Thac Mo Hydropower Joint Stock Company	Associate	Dividend income	215,770,240,200	44,765,610,000
Song Ba Ha Hydropower Joint Stock Company	Associate	Dividend income	207,360,000,000	16,000,000,000
Central Hydropower Joint Stock Company	Associate	Dividend income	53,319,683,200	31,438,493,000
Thu Duc Water B.O.O Corporation	Associate	Dividend income Expert salary	51,642,932,000 85,893,913	46,948,120,000 143,281,366
Tan Hiep Water Investment Joint Stock Company	Associate	Dividend income	49,920,000,000	34,560,000,000
Saigon Real Estate Joint Stock Company	Associate	Dividend income	25,978,600,500	13,470,424,687
Saigon Water Investment and Trading Joint Stock Company	Associate	Dividend income Expert salary	23,999,800,000 262,859,065	6,000,000,000 -
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	18,520,671,600	27,781,007,400
Khanh Hoa Water Supply Joint Stock Company	Associate	Dividend income	13,451,918,400	10,839,120,000
Ninh Binh Thermal Power Joint Stock Company	Associate	Dividend income	5,684,100,000	3,789,400,000
Southern Hydropower Joint Stock Company	Other investment	Dividend income	5,194,745,000	-
Thu Duc Water Supply Joint Stock Company	Associate	Dividend income	4,505,664,000	4,505,664,000
Binh Dien Hydropower Joint Stock Company	Associate	Dividend income	3,947,960,000	2,368,776,000
Nha Be Water Supply Joint Stock Company	Associate	Dividend income	2,400,310,000	1,963,890,000
Gia Dinh Water Supply Joint Stock Company	Associate	Dividend income	1,904,688,000	1,904,688,000
Song Da Water Investment Joint Stock Company	Associate	Other Income Expert salary	1,452,416,364 1,389,128,693	- -
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Dividend income	8,618,610,000	14,506,800,000
Vinh Son – Song Ninh Hydropower Joint Stock Company	Subsidiary from April 2021	Sales of goods Loan receivable Interest income	370,182,400 - -	418,873,500 378,000,000,000 24,154,881,179

Notes To The Consolidated Financial Statements (continued)

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33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Significant transactions with related parties during the year were as follows (continued):

Amounts due to and due from related parties at the balance sheet dates were as follows:

VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivable				
Thac Ba 2 Hydropower Joint Stock Company	Associate	Service revenue	30,000,000	-
Thu Duc Water B.O.O Corporation	Associate	Others	-	94,626,645
TOTAL			30,000,000	94,626,645
Short-term loan receivable				
Song Da Water Investment Joint Stock Company	Associate	Lending	21,000,000,000	-
Vinh Son – Song Ninh Hydropower Joint Stock Company	Subsidiary from April 2021	Lending	-	466,600,000,000
TOTAL			21,000,000,000	466,600,000,000
Held-to-maturity investment				
Vinh Son – Song Ninh Hydropower Joint Stock Company	Subsidiary from April 2021	Bonds	-	500,000,000,000
Other short-term receivables				
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	18,520,671,600	27,781,007,400
Song Da Water Investment Joint Stock Company	Associate	Other income	63,287,671	-
Pha Lai Therna Power Joint Stock Company	Associate	Dividend income	-	27,088,691,000
Vinh Son – Song Ninh Hydropower Joint Stock Company	Subsidiary from April 2021	Interest income	-	36,129,108,579
TOTAL			18,583,959,271	90,998,806,979

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at 31 December 2021 are unsecured (except bond at note 16.2), interest free and will be settled in cash. For the year ended 31 December 2021 and 31 December 2020, the Company has not made any provision for doubtful receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

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33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration of members of the Board of Directors and management:

VND

	Current year	Previous year
Remuneration and bonus of the Board of Directors	7,040,000,000	4,410,000,000
Salaries and bonus of management	12,556,742,220	13,336,284,172
TOTAL	19,596,742,220	17,746,284,172

34. COMMITMENTS

34.1 Operating lease commitments – when the Group is a lessee

The Group leases plant for its plant in Tan Binh Industrial Zone, warehouse and offices under operating lease agreements. The minimum lease commitment as at balance sheet date under the operating lease agreements is as follows:

VND

	Ending balance	Beginning balance
Less than one year	11,962,092,176	14,699,569,417
From one to five years	1,846,246,191	3,974,537,779
Over five years	3,391,779,044	3,478,380,389
TOTAL	17,200,117,411	22,152,487,585

34.2 Operating lease commitments – when the Group is a lessor

The Group leases out its assets under operating lease arrangements. The future minimum rental receivables as at the balance sheet date under the operating lease agreements is as follows:

VND

	Ending balance	Beginning balance
Less than one year	752,052,189,104	665,504,931,896
From one to five years	1,162,911,518,170	917,956,127,693
Over five years	267,606,669,789	311,777,804,373
TOTAL	2,182,570,377,063	1,895,238,863,962

34.3 Capital expenditure commitments

As at 31 December 2021, the Group had commitments of VND 82,010,419,004 principally relating to construction and development the Group's projects in wind power, hydropower and office for lease.

as at 31 December 2021 and for the year then ended

34. COMMITMENTS (continued)

34.4 The agreement of bond payment guarantee commitment

On 28 January 2019, the Company signed the agreement with Credit Guarantee and Investment Facility ("CGIF") – A trust fund of the Asian Development Bank. Accordingly, CGIF issued Guarantee Payment for Bondholders of 2,318 bonds (Note 24.3) that were issued by the Company and the Company committed to pay guarantee fee of 1.40% per annum on the total value of bonds in circulation within 10 years from the issue date

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- › Mechanical and refrigeration electrical engineering;
- › Real estate and office leasing;
- › Power; and
- › Water.

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.



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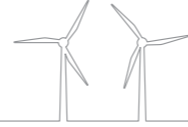
35. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2021 are as follows:

VND

	Mechanical and refrigeration electrical engineering	Real estate and office leasing	Electricity	Water	Consolidated
Sales					
Total segment sales	2,177,349,924,909	1,086,194,946,090	2,979,367,746,371	92,178,467,289	6,335,091,084,659
Inter-segment sales	(360,900,090,424)	(147,981,836,669)	(16,367,602,500)	(30,626,245)	(525,280,155,838)
TOTAL	1,816,449,834,485	938,213,109,421	2,963,000,143,871	92,147,841,044	5,809,810,928,821
Results					
Segment profit after tax (*)	108,769,720,293	627,775,824,569	1,138,955,145,213	278,969,857,511	2,154,470,547,586
Unallocated profit after tax					(19,060,300,338)
Total profit after tax					2,135,410,247,248
<i>Of which:</i>					
<i>Parent company</i>					
Segment profit after tax	97,990,294,552	630,014,212,449	872,612,317,112	273,523,104,356	1,874,139,928,469
Unallocated profit after tax					(19,060,300,338)
Non-controlling interest	10,779,425,741	(2,238,387,880)	266,342,828,101	5,446,753,155	1,855,079,628,131
					280,330,619,117
The segment assets and liabilities for as at 31 December 2021 are as follows:					
Segment assets					
Unallocated assets	2,526,532,284,863	2,850,080,983,791	23,084,721,267,653	2,307,706,672,295	30,769,041,208,602
TOTAL ASSETS					31,827,003,374,458
Segment liabilities					
Unallocated liabilities	1,900,031,356,801	862,566,326,433	10,354,278,902,971	245,262,607,242	13,362,139,193,447
TOTAL LIABILITIES					2,106,987,127,387
					15,469,126,320,834

(*) Including in segment profit after tax is share of profit of associates.



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35. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2020 are as follows:

VND

	Mechanical and re-frigeration electrical engineering	Real estate and office leasing	Electricity	Water	Consolidated
Sales					
Total segment sales	4,516,002,947,316	1,106,484,479,049	1,180,677,618,844	-	6,803,165,045,209
Inter-segment sales	(1,041,780,292,229)	(119,124,503,496)	(2,507,523,517)	-	(1,163,412,319,242)
TOTAL	3,474,222,655,087	987,359,975,553	1,178,170,095,327	-	5,639,752,725,967
Results					
Segment profit after tax (*)	246,434,665,286	512,870,752,263	736,976,164,911	259,048,028,694	1,755,329,611,154
Unallocated profit after tax					(41,827,832,252)
Total profit after tax					1,713,501,778,902
<i>Of which:</i>					
<i>Parent company</i>					
Segment profit after tax	225,745,725,807	514,738,329,867	670,371,956,468	259,048,028,694	1,669,904,040,836
Unallocated profit after tax					(41,827,832,252)
Non-controlling interest	20,688,939,479	(1,867,577,604)	66,604,208,443	-	85,425,570,318
					-
The segment assets and liabilities for as at 31 December 2020 are as follows:					
Segment assets					
Unallocated assets	2,750,140,532,306	3,462,148,899,388	9,259,878,244,120	1,913,818,633,200	17,385,986,309,014
TOTAL ASSETS					3,144,467,425,922
Segment liabilities					
Unallocated liabilities	2,416,375,784,371	1,179,492,455,715	1,726,591,724,572	525,000,000,000	5,847,459,964,658
TOTAL LIABILITIES					2,470,344,850,649
					8,317,804,815,307

(*) Including in segment profit after tax is share of profit of associates.



as at 31 December 2021 and for the year then ended

36. CONTINGENCIES

The lawsuit at Vietnam International Arbitration Centre ("VIAC"), No. 76/19 HCM

On 11 April 2019, Vinh Son-Song Hinh Hydropower Joint Stock Company ("VSH"), the Group's subsidiary, submitted the lawsuit against Hydrochina Huadong Engineering Corporation and China State Railway Group Company Limited ("Huadong CR18G Consortium") claiming breach of contract at VIAC.

On 5 July 2019, Huadong CR18G Consortium submitted the statement of defense, claiming the lawsuit cost of USD 1 million ("Statement of Defense 1").

On 15 November 2019, the VSH withdrew its lawsuit files.

On 28 November 2019, Huadong CR18G Consortium submitted a revised counterclaim ("Statement of Defense 2").

On 14 February 2020, the VIAC Arbitration Committee announced the Award regarding the jurisdiction as:

- ▶ The Statement of Defense 1 dated 5 July 2019 was under the jurisdiction of the VIAC Arbitration Committee; and
- ▶ The Statement of Defense 2 dated 28 November 2019 was not under the jurisdiction of the VIAC Arbitration Committee.

On 20 March 2020, the VSH filed a Complaint to Hanoi People's Court related to the Arbitration Committee announcement that they have jurisdiction to settle the lawsuit files withdrawn by VSH and request the Court to reject the jurisdiction of the VIAC Arbitration Committee.

On 10 April 2020, the VIAC Arbitration Committee issued Procedure Order No. 1 and on 14 April 2020, VSH submitted its objection to Procedural Order No. 1.

On 3 June 2020, Huadong CR18G Consortium sent the Self-defense Statement and requested an additional counterclaim.

On 30 July 2020, Hanoi People's Court announced Decision 08/2020/QĐ-GQKN, approved the jurisdiction of the VIAC Arbitration Committee to continue on the lawsuit.

On 7 September 2020, VSH continued to file a Complaint to Hanoi People's Court related to the Arbitration Committee announcement that they have jurisdiction to settle the lawsuit files withdrawn by VSH.

On 22 October 2020, VSH filed request to Hanoi People's Court and the Hanoi People's Procuracy to explain Decision 08/2020/QĐ-GQKN.

On 21 December 2020, Hanoi People's Court issued a document to explain Decision 08/2020/QĐ-GQKN.

On 29 December 2020, VSH filed a request to the VIAC Arbitration Committee to reject the jurisdiction of the VIAC Arbitration Committee.

On 7 January 2021, VIAC Arbitration Committee decided that the hearing was re-scheduled to take place from 23 August 2022 to 27 August 2022.

On 2 August 2021, VIAC Arbitration Committee announced that the hearing was taken place from 15 August 2021 to 19 August 2022.

The lawsuit at Binh Dinh People's Court

On 25 August 2020, VSH submitted the lawsuit against Hydrochina Huadong Designing Institute and China State Railway Group Company Limited ("the constructors") claiming the compensation cost of VND 2,320,959,156,044 at Binh Dinh People's Court.

On 23 November 2020, the lawsuit was accepted by Binh Dinh People's Court.

On 18 March 2021, VSH filed a request to Binh Dinh People's Court to reject the written opinion dated 30 December 2020 of the KonTom Executive Office, and the written opinion dated 18 January 2021 of the constructors.

as at 31 December 2021 and for the year then ended

36. CONTINGENCIES (continued)

The lawsuit at Ha Noi People's Court

On 30 July 2020, the VSH submitted a lawsuit to Ha Noi People's Court to request People's Court to force PetroVietnam Insurance Corporation for a claim of VND 43,150,320,450.

On 25 January 2021, the lawsuit was accepted by Ha Noi People's Court.

As at the date of these consolidated financial statements, the management assesses the risk of losses from these lawsuits as low and therefore, the Group has yet to make any provision.

37. EVENT AFTER THE BALANCE SHEET DATE

On 22 February 2022, the Company's Board of Directors issued Decision No. 09/2022/QĐ-HDQT regarding the establishment of REE Digital Company Limited ("REE Digital") with a registered charter capital of VND 1,000,000,000. The principle activities of REE Digital are building and developing a centralized data platform, providing a shared service model, commercialising REE's digital products and services, finding a startup model, and expanding the digital ecosystem for REE.

On 24 February 2022, according to the Enterprise Registration Certificate No. 2100673348 issued by the Department of Planning and Investment of Tra Vinh Province, the Company established REE Tra Vinh Wind Power Company Limited ("REE DGTV") with a registered charter capital of VND 868,000,000,000. Accordingly, REE DGTV has become a subsidiary of the Company since that date.

Except for above events, there have been no significant events that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



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Preparer



Ho Tran Dieu Linh
Chief Accountant



Huỳnh Thanh Hải
General Director

4 March 2022



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