

2022

**BÁO CÁO THƯỜNG NIÊN**

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ANNUAL REPORT



# 2022

**BÁO CÁO THƯỜNG NIÊN**  
ANNUAL REPORT

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## ABBREVIATIONS

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

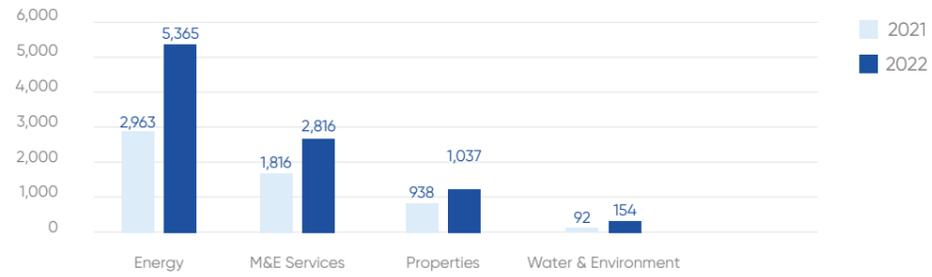
## ICONS

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

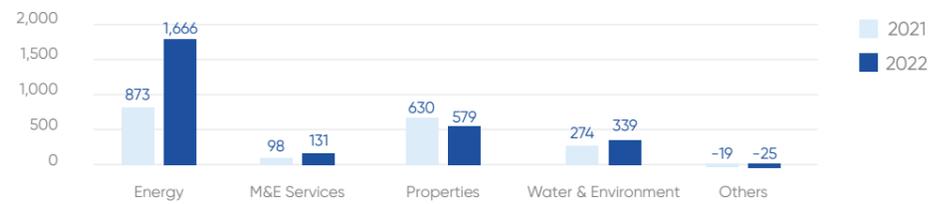
# REE by numbers

## The Group

### REVENUE

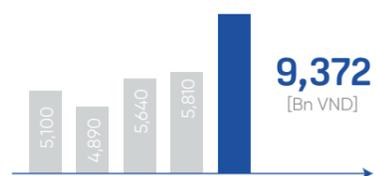


### NET PROFIT AFTER TAX

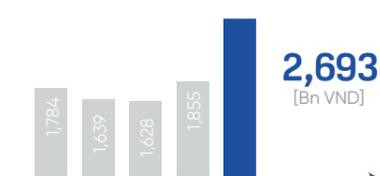


## Financial Performance

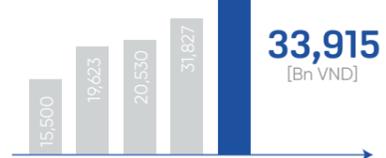
### Total Revenue



### Net Profit After Tax (\*)



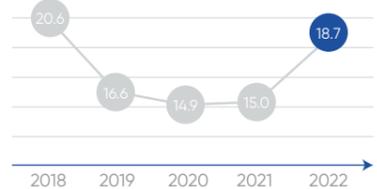
### Total Assets



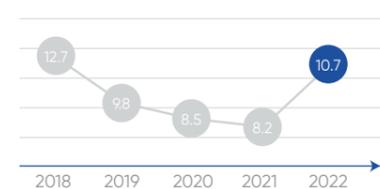
### Total Owners' Equity (\*)



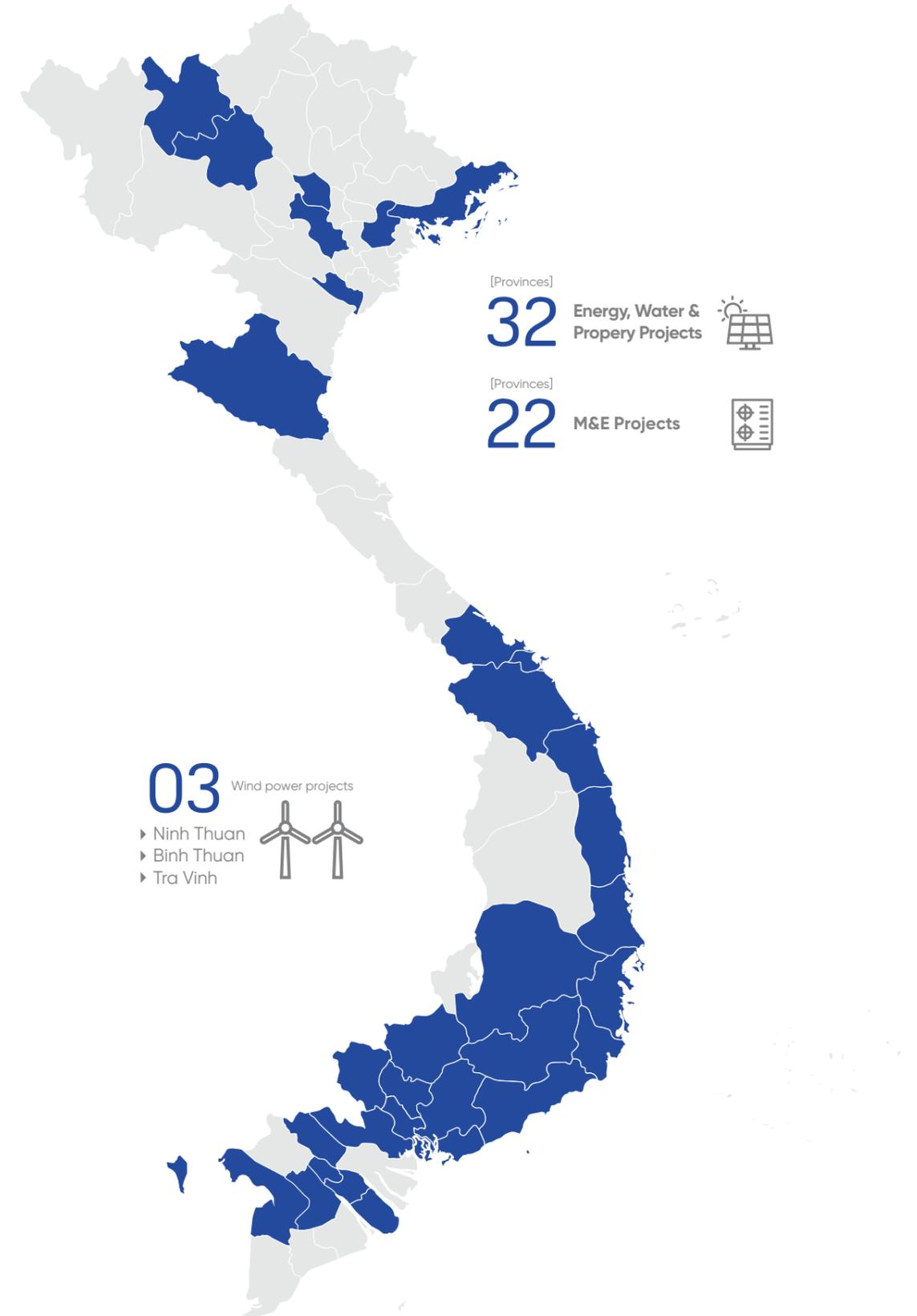
### ROE (%)



### ROA (%)



(\*) Excluding minority interests



## Energy

COMBINED GROSS  
INSTALLED CAPACITY

**2,763** MW

TOTAL REE-OWNED  
CAPACITY

**1,023** MW

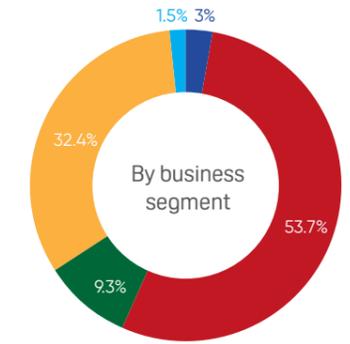
REE-OWNED CAPACITY, POWER OUTPUT & CAPACITY FACTOR

Coal	Hydro	Wind	Solar
281 [MW]	512 [MW]	87 [MW]	143 [MWp]
828 [GWh]	2,860 [GWh]	237 [GWh]	170 [GWh]
34%	64%	31%	14%

## Headcounts

TOTAL OF  
EMPLOYEES

**2,122** PEOPLE



● Parent Company & REE Digital ● Energy  
● M&E Services ● Water & Environment  
● Properties

## M&E Services

NEW ORDER  
BOOK

**2,405** Bn VND

## Water & Environment

TOTAL WATER  
TREATMENT CAPACITY **>1.1** Mn  
cbm/day



## Corporate Social Responsibility

TOTAL  
FINANCIAL DONATION **4.5** BN  
VND

## Talent Development

- Leadership Competency Manuals
- "Shape up Business" Project
- Training and development activities
- Human Resource Management System
- Town Hall Meeting

## Properties

TOTAL OFFICE  
LEASABLE AREA

**144,854** sqm

OCCUPANCY  
RATES

**97.5** %



## Awards

ACHIVEMENTS **07** AWARDS



## Message from our Chairwoman

“

**REE Group delivered the most outstanding year of business results since its establishment when revenue and net profit after tax attributable to shareholders of the parent reached VND9,331 billion and VND2,693 billion, up 61% and 45% respectively compared to the previous year.**

### Dear Shareholders and Investors,

The year 2022 continued to be a challenging year in all aspects of economic and social life. The aftermath of the Covid-19 pandemic still lingers, the war in Ukraine has led to an unprecedented energy crisis, whereby prices of fuel, energy, raw materials, transportation costs, etc. have soared, leading to inflation. Most banks have raised interest rates to curb inflation, causing bottlenecks in capital flows pushing many economies into the possibility of recession.

Vietnam was also affected to some extent, most noticeably in the fourth quarter of 2022, when simultaneous increases in lending interest rates caused pressure on all business sectors.

However, under such circumstances, REE Group delivered the most outstanding year of business results since its establishment when revenue and net profit after tax attributable to shareholders of the parent reached VND9,331 billion and VND2,693 billion, up 61% and 45% respectively compared to the previous year.

The biggest contribution to the Group's results is the Energy business contributing revenue and profit of VND5,365 billion and VND1,666 billion, accounting for 57% and 62% of the Group's totals, thanks to favorable hydrology and 44% higher electricity market prices compared to last year. The full-year operations of Thuong Kon Tum Hydropower Plant with a generation capacity of 220 MW and three wind power plants namely Tra Vinh V1-3, Phu Lac 2 and Loi Hai 2 with a total capacity of 126 MW were among the main positive factors.

The Water business accounted for 13% of the Group's profit and provided uninterrupted water supply for the major cities of Ho Chi Minh City and Hanoi.

The Office leasing sector was second in terms of contribution to the Group's profit with a 19% share thanks to a high occupancy level of over 97% of the leasable space of 144,854 sqm.

The M&E services and air-conditioner trading business, which has made an important contribution to REE's reputation, this year most clearly reflected the economic impacts on the real estate and construction sectors, which has lasted for many years: the investment process has not been opened, capital flow was limited, real estate project product consumption has slowed down... The M&E services and air-conditioner business has clearly been impacted from this situation. However, recognizing the situation, strengthening internal resources to continue to seize opportunities is what the M&E services and air-conditioner business is doing.

In 2023, Vietnam's GDP is forecast at 6.5% compared to 8.02% in 2022. Although the manufacturing sector is still facing challenging conditions, the world's demand is rising. China declared overcoming the COVID-19 pandemic, tourism activity resumed, interest rates are turning back to normal levels. The central banks, including the State Bank of Vietnam, are also sending out signals of inflation being brought under control and thus deposit and lending interest rates must trend down. In this context, REE Group aims to reach revenue and profit of at least equal to that of 2022. Higher performance is expected on the condition that the macroeconomic factors gradually improve through public investment projects and their fast track disbursements as announced by the Prime Minister.

REE has determined that in order to ensure growth, the only way forward is to develop

new capacity and projects in all three sectors of Energy, Water and Real Estate.

The REE team is fully aware of this mission and ready to pursue the goal of increasing capacity and developing new projects. There are long lists of potential projects for three sectors of Energy, Water and Real Estate to consider and some projects are being implemented in the early months and quarters of 2023.

REE has incorporated sustainable development goals into its operational criteria: strengthening existing activities related to environmental protection and developing renewable energy sources; consulting and providing solutions for efficient energy use through clean and green standard projects.

We will also continue to prioritize the digitization process and digital transformation with the aim of improving business processes more effectively, maintaining a competitive position in a challenging market.

On this occasion, we would like to express our gratitude to:  
Our employees who have contributed tirelessly for the company's results of today and are passionately building up REE Group for tomorrow;  
Shareholders and partners who have always accompanied REE.

We will move forward together, overcome various challenges, seize the opportunities and contribute to the development of REE and the prosperity of the country.



Chairwoman  
Nguyen Thi Mai Thanh

# Report on term 2018 - 2022 by the Board of Directors

## Global and domestic economy review

We have been witnessing tremendous and unforeseen changes on the planet where we are living within the last few years.

- The COVID-19 pandemic happened during 2020-2021, and its repercussions are still with us even now. The ongoing Ukraine war that started in 2022 caused a severe power crisis resulting in the price of fossil fuels skyrocketing.
- Materials price increases, coupled with high inflation and high-interest rates have pushed the world economy on the verge of a recession. The global growth outlook is poor with high inflation and diminishing financial support.
- Three economic growth engines of the world including the US, Eurozone, and China are experiencing their downturn. The World Bank mentioned that this downturn would badly hit the poor and underdeveloped countries that are struggling with climate change, deteriorating business environment, high-interest rates, and tightening capital flow.
- For Vietnam, 2023 will continue to be a difficult year with a forecasted GDP growth of 6.5% compared to 8.02% in 2022. Manufacturing is facing difficulties due to high-interest rates and tightening credit rooms. Exports are affected by low market demand, which puts significant pressure on labor-intensive manufacturers. A massive public investment program of VND 710,000 billion announced by the Government will be a driving force for the Vietnam economy. The Government also recognizes Vietnam as a developing country with a transitioning economy facing significant internal challenges.

## 2022 Business results

Despite the tough situation, the business units of REE Corporation have seen potential opportunities. 2022 business performance showed that even under unfavorable circumstances, REE was able to thrive in terms of generating revenue and profits in this market by leveraging our strengths.

The Group's revenue reached VND 9,372 billion, up 61% YoY, meeting the target plan. The Group's profit reported VND 2,693 billion, up 45% YoY, exceeding 31% of the target plan.

Both revenue and profit reached record numbers since REE's establishment. However, for the capacity development plan, Energy, Water, and Real Estate did not meet the target plan:

- Energy sector: After the FiT expired in November 2021 and January 2021 for Wind power and Solar power, respectively, investments in renewable energy were stagnant. The Energy project team continued to seek 'self-consumption' Rooftop Solar projects and invested 7 MWp and 20 MWp in 2021 and 2022 respectively, which raised the total Rooftop Solar capacity to reach 113 MWp by end of the year.

In this situation, scanning for renewable energy project opportunities is very difficult. The progress of ratifying Power Development Planning VIII and related investment & pricing policies is the key driver for REE to re-establish energy's investment agenda.

- Water sector: In 2022 there was no opportunity to upgrade capacity. From 2023 onwards, the potential would be clearer with regard to the capacity expansion of current water plants.

- Real estate sector: In 2022, no project has completed investment procedures for construction permits, so there were no real estate products to sell as planned. Currently, some residential and office leasing projects are underway in legal procedures which can take time due to the bottleneck in land policies and investment procedures. If everything goes according to plan, construction is expected to be started and completed in 2023, and the products will be ready for sale in the same year.

Contribution by group businesses is as follows:

### Energy sector

In 2022, the Energy sector led the Group in profitability thanks to the best year of hydrology in the last 5 years. The La Nina phenomenon prolonged from the last months of 2021 until the end of 2022 bringing heavy long rainfall ensuring sufficient and stable reservoirs, especially for Central and Southern regions. Hydropower plants operated at record output volume, up by 32% YoY and up by 65% compared to the 5-year average. Contributing to this impressive growth included recording the full 12-month output volumes of the Thuong Kon Tum plant in 2022 which was consolidated into the Group in April 2021.

At the same time, as fuel prices such as coal, oil, and gas quickly escalated, the market price of electricity hence increased. So, as the cheapest source of electricity, the hydropower plant's ask price is prioritized to be matched first. As a result, the average selling price of hydropower output saw a rise.

In 2022, 3 wind power plants including Tra Vinh V1-3, Phu Lac 2 in Binh Thuan, and Loi Hai 2 in Ninh Thuan operated for a full year and contributed 330 million kWh in output volume with a corresponding revenue of VND 697 billion.

Furthermore, REE bought a 100% ownership stake in the 22 MW Nam Ban 2 hydropower plant, adding another 81 million kWh.

The energy sector contributed 57% and 62% to the Group's revenue and profit respectively, resulting in an increase of 61% and 45% YoY in the Group's revenue and profit after tax.

### Water & Environment sector

Water plants reported another stable year of operation which performed in line with the budget, providing uninterrupted and quality-assured water for major cities including Ho Chi Minh, Hanoi, and Nha Trang.

All water distribution companies ensure uninterrupted pumping to almost 100% of households within cities.

REE Water has kicked off the environmental projects of waste treatment and Waste-to-Energy for the city we base in. This will be our Group's long-term investment.

REE Water's stable operation and performance contributed 13% to the Group's profit after tax.

### Real Estates sector

Due to the deadlock in the licensing process, in 2022, REE had no project completing investment procedures and hence no product was put on sale to the market.

However, the office leasing business maintained its high occupancy level, coupled with the leasing price adjusted up to market resulting in profit after tax of the office leasing business increased by 12% YoY. The office leasing business contributed 11% and 22% to the Group's revenue and profit after tax respectively.

### M&E and Air-conditioner business

2022 continues to be a difficult year for the M&E sector due to the postponement of project licensing, tightening in capital flow, along with the economic crisis in general. These factors all had a significant impact on M&E's performance.

Internal intrinsic weaknesses were also root causes for high receivables and high financial expenditures due to increasing loans. These factors have directly bitten into the already thin margin caused by a low-demand market. The impacts from these factors have become too severe to the point that the M&E sector is in need of a "revolution" in business process, and cash flow management that will lead the sector back on the right track and maintain cash flow positive to all individual projects. The improving financial situation and reforming internal intrinsic factors to match market situations will be the target of this self-revolution.

The M&E business posted revenue and profit after tax of 72% and 62% of the budget respectively. Although revenue and profit rose by 55% and 36% YoY respectively, it is still far behind its historical performance pre-Covid time.

The M&E sector must find a way to return to its Golden time when its annual profit after tax reached approx. VND 350 billion.

**Overall, in 2022, The Group has achieved the highest business performance result since equitization in 1993, and this is the legacy result of accumulated strategically good investments over many years.**

### What is the outlook for 2023?

Business plan 2023 is formed based on the following factors:

- Capacity development for Energy, Water, and Real Estate in 2022 did not meet expectations and fell behind Management's KPIs. New capacity added in the future is requisite to our long-term sustainable revenue and profit growth plan.
- This year, power plants will continue to operate steadily and actively participate in the commercial electricity market where we can offer competitive bids to increase revenue.
- The Energy and Water sectors must focus on adding new capacity – the vital key to sustainable development.
- The Real estate sector is expected to have its revenue and profit improve significantly this year from the launch of 2 new projects in the housing segment.
- Office buildings to maintain a high occupancy rate while the e.town 6 building with a total of 36,798 sqm for lease must be ready for operation in 4Q2023 bringing the total leasable office space to 181,652 sqm.
- The Board of Management submitted a 2023 business plan with target Revenue and Profit after tax of 10,962 billion and 2,700 billion respectively, equivalent to 17.0% and 0.3% growth YoY.



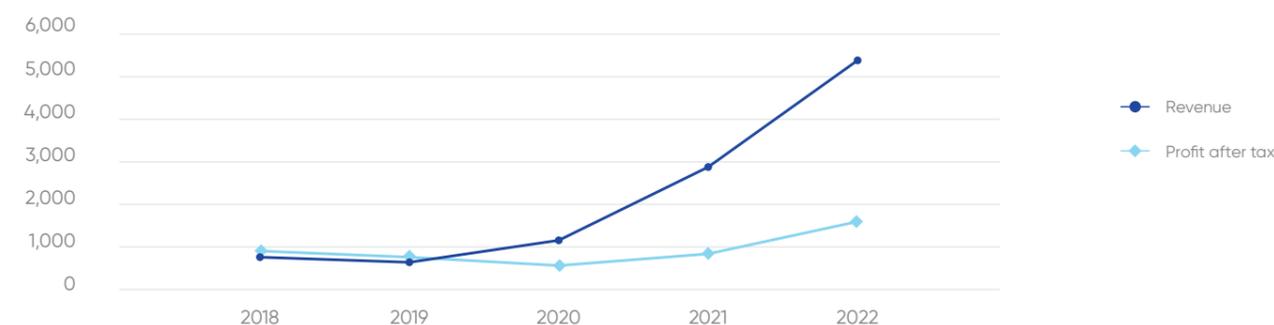
### 5 years (2018 - 2022) look back

During the last Board of Directors' 5-year term (2018-2022), the world and our country experienced huge and unexpected changes as mentioned above.

This year, 2023, the Board of Directors' 5-year term (2018-2022) has finished. Let us look back at this journey for each business of Energy, Water, Real Estate, and M&E.

### 2018-2022 results

#### Energy sector



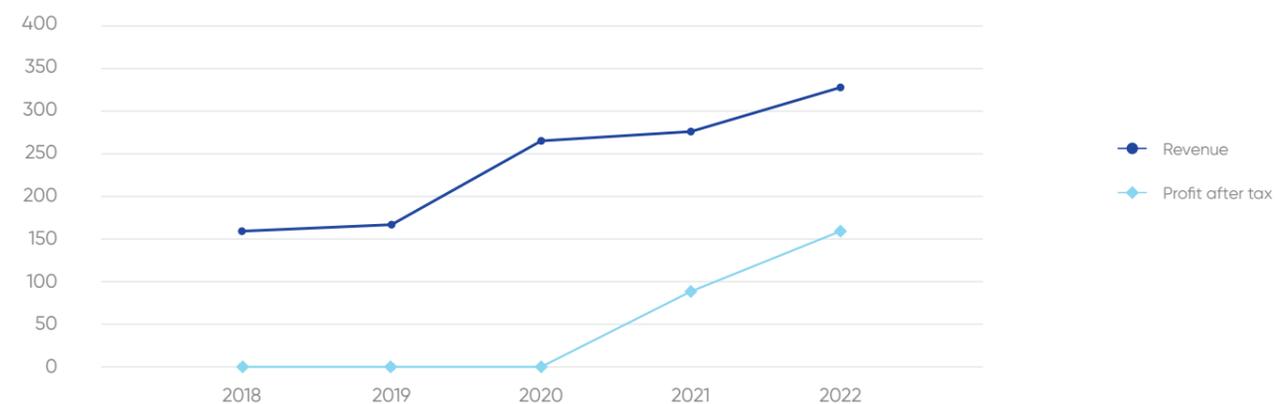
	2018	2019	2020	2021	2022	5-year CAGR
REE's equity-adjusted capacity (MW)	635	773	856	945	993	11,8%
• Hydro power (MW)	349	478	478	484	512	10,1%
• Thermal power (MW)	281	281	281	281	281	0,0%
• Wind power (MW)	6	12	12	87	87	95,4%
• Ground-mounted solar (MWp)	-	12	30	30	30	
• Rooftop solar (MWp)	-	3	86	93	113	
Revenue (VND billion)	834	790	1,178	2,963	5,365	59,3%
Profit after tax (VND billion)	943	813	670	872	1,666	15,3%
Dividend received (VND billion)	668	504	361	1,084	753	3,0%
Investment cost (VND billion)	4,681	6,328	6,658	7,689	8,521	16,2%
Equity (VND billion)	5,229	6,480	6,840	9,714	10,638	19,4%
ROI (%)	14.3	9.2	5.6	15.1	9.3	
ROE (%)	18.0	13.9	10.1	10.5	16.4	

In the 5-year period, from 2018 to 2022: Total capacity has increased from 635 MW to 993 MW (+11.8% p.a). In which:

- Hydropower increased from 349 MW to 512 MW
- Wind Power increased from 6 MW to 87 MW
- Rooftop solar increased from 0 MWp to 113 MWp

With the capacity increase, the Energy sector enjoyed an increase in Revenue from VND 834 billion to VND 5,635 billion (+59.3% p.a) and Profit after tax from VND 943 billion to VND 1,666 billion (+15.3% p.a).

### Water & Environment sector

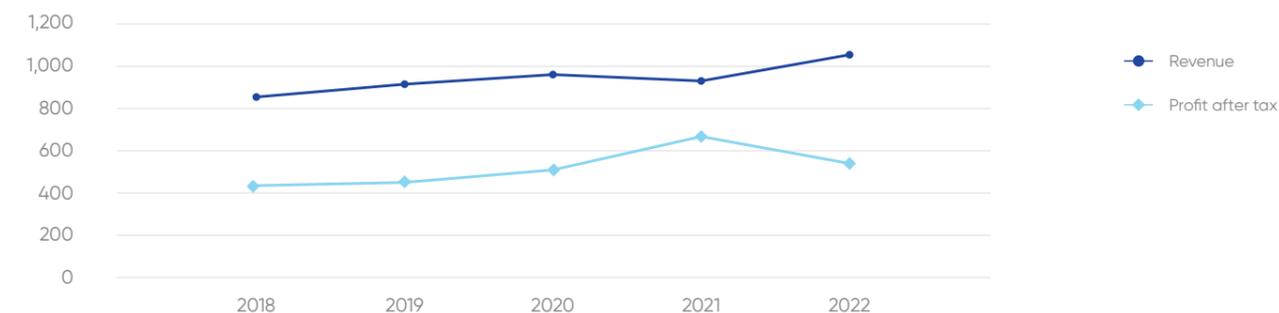


	2018	2019	2020	2021	2022	5-year CAGR
REE's equity-adjusted capacity (cbm/day)	396,463	428,100	417,263	431,848	437,114	<b>2.5%</b>
Revenue (VND billion)	-	-	-	92	154	
Profit after tax (VND billion)	154	163	259	274	339	<b>21.9%</b>
Dividends received from Associates and Joint Ventures (VND billion)	73	143	107	147	215	<b>31.2%</b>
Investment cost (VND billion)	1,456	1,627	1,627	1,645	1,645	<b>3.1%</b>
Equity (VND billion)	791	1,239	1,572	2,051	2,482	<b>33.1%</b>
ROI (%)	5.0	9.3	6.6	9.0	13.1	
ROE (%)	19.4	16.1	18.4	15.1	15.0	

- The designed capacity of water plants has not changed since 2019. However, the production capacity will gradually increase according to the roadmap of the water purchase-and-sale contracts until reaching the maximum capacity.

- Profit after tax was up from VND 154 billion in 2018 to VND 339 billion in 2022 (+21.9% p.a).

### Real estates sector



	2018	2019	2020	2021	2022	5-year CAGR
Total leaseable office area (sqm)	130,084	144,854	144,854	144,854	144,854	<b>2.7%</b>
Occupancy level (%)	97,9	98,7	97,9	98,5	97,5	
Revenue (VND billion)	839	927	987	938	1,037	<b>5.4%</b>
Profit after tax (VND billion)	422	461	515	630	579	<b>8.2%</b>
Equity (VND billion)	1,353	1,829	2,070	1,986	2,367	<b>15.0%</b>
ROE (%)	31.2	29.0	26.4	31.1	26.6	

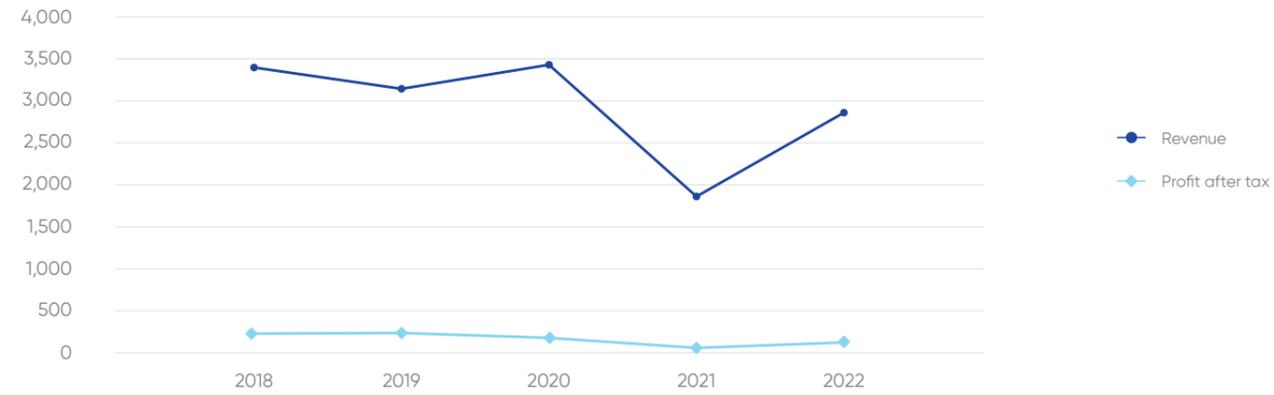
- In 2021, the real estate sector recorded an extraordinary income of VND 163 billion from the divestment of Vietnam Property and Infrastructure JSC - VIID.

- In July 2018, the e.town Central office building with an area of 34,361 sqm was completed and put into commercial operation, bringing the total leaseable office space from 95,723sqm to 130,084sqm.

- In July 2019, the e.town 5 office building with an area of 14,770sqm was completed and put into commercial operation, bringing the total leaseable office space from 130,084sqm to 144,854sqm.

- In February 2021, the e.town 6 building started construction in accordance with "LEED Platinum" standards, after completion expected in 4Q2023, it will contribute 36,798sqm, bringing the total leaseable office space to 181,652sqm.

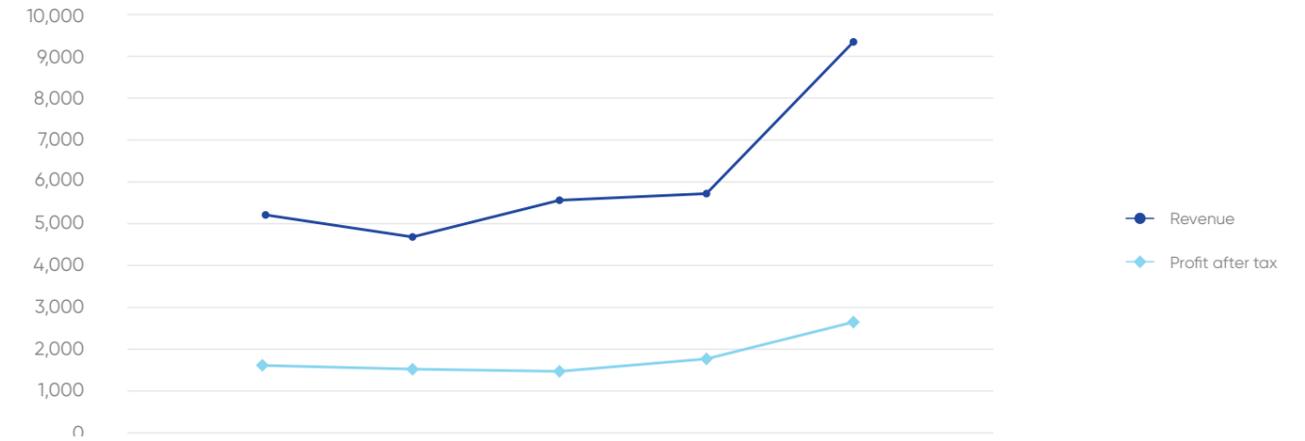
### M&E & air-conditioner business



	2018	2019	2020	2021	2022	5-year CAGR
Revenue (VND billion)	3,427	3,173	3,474	1,816	2,816	-4.8%
Profit after tax (VND billion)	243	245	226	98	133	-14.0%

The M&E sector's performance saw a sharp decline in the last 5 years: Revenue was down from VND 3,427 billion to VND 2,816 billion while Profit fell from VND 243 billion to VND 133 billion. Fewer projects implemented during 2 years of the pandemic, inflation, and obstructive capital are also objective reasons affecting its performance.

### REE group

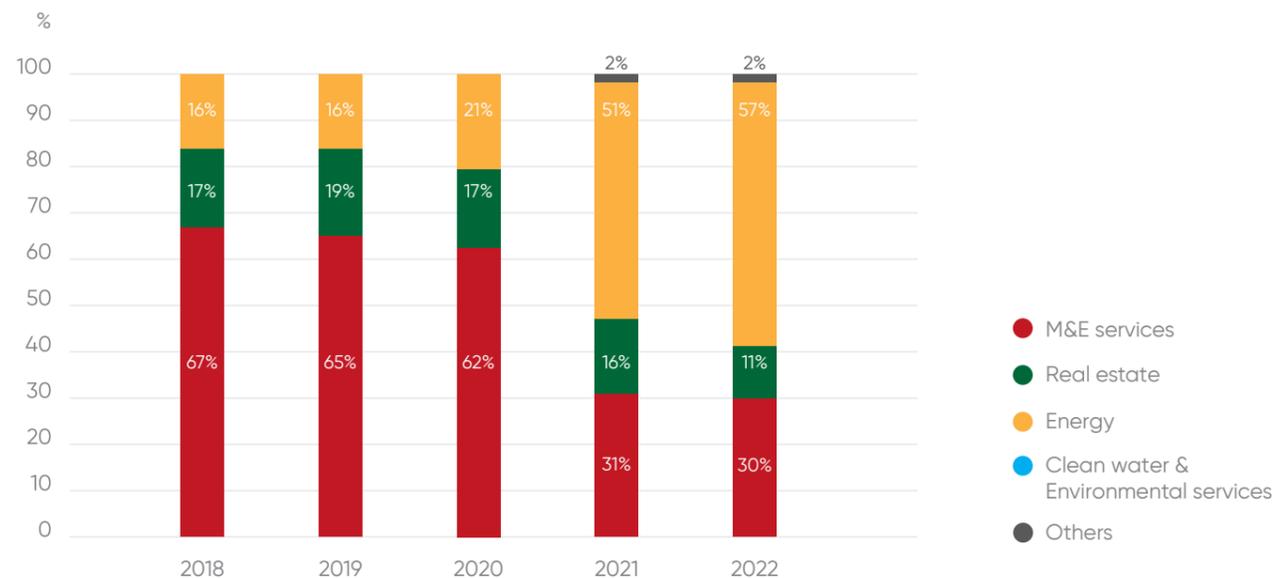


Unit: VND billion, unless otherwise stated

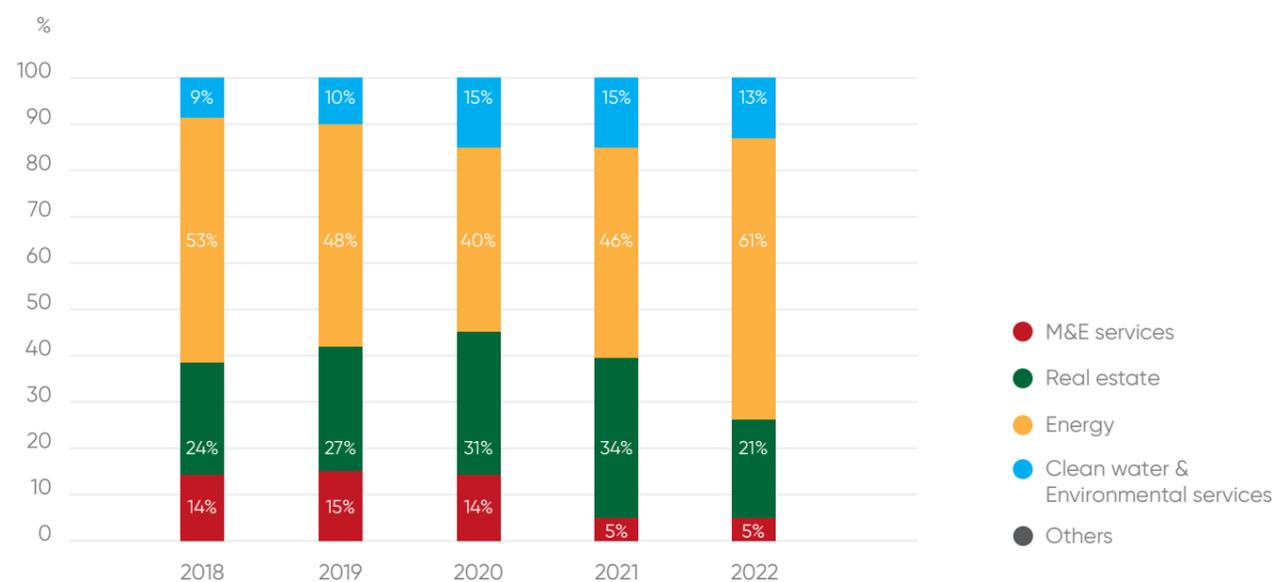
	M&E services	Real estate	Energy	Water & Environmental	Others	Total
2018	Revenue	3,427	839	834	-	5,100
	PAT	243	422	943	154	1,784
2019	Revenue	3,173	927	790	-	4,890
	PAT	245	461	813	163	1,639
2020	Revenue	3,474	987	1,178	-	5,640
	PAT	226	515	670	259	1,628
2021	Revenue	1,816	938	2,963	92	5,810
	PAT	98	630	872	274	1,855
2022	Revenue	2,816	1,037	5,365	154	9,372
	PAT	133	579	1,666	339	2,693
5-year CAGR	Revenue	-4.8%	5.4%	59.3%	-	16.4%
	PAT	-14.0%	8.2%	15.3%	21.9%	10.8%

Revenue, Profit ratios by Group businesses

REVENUE

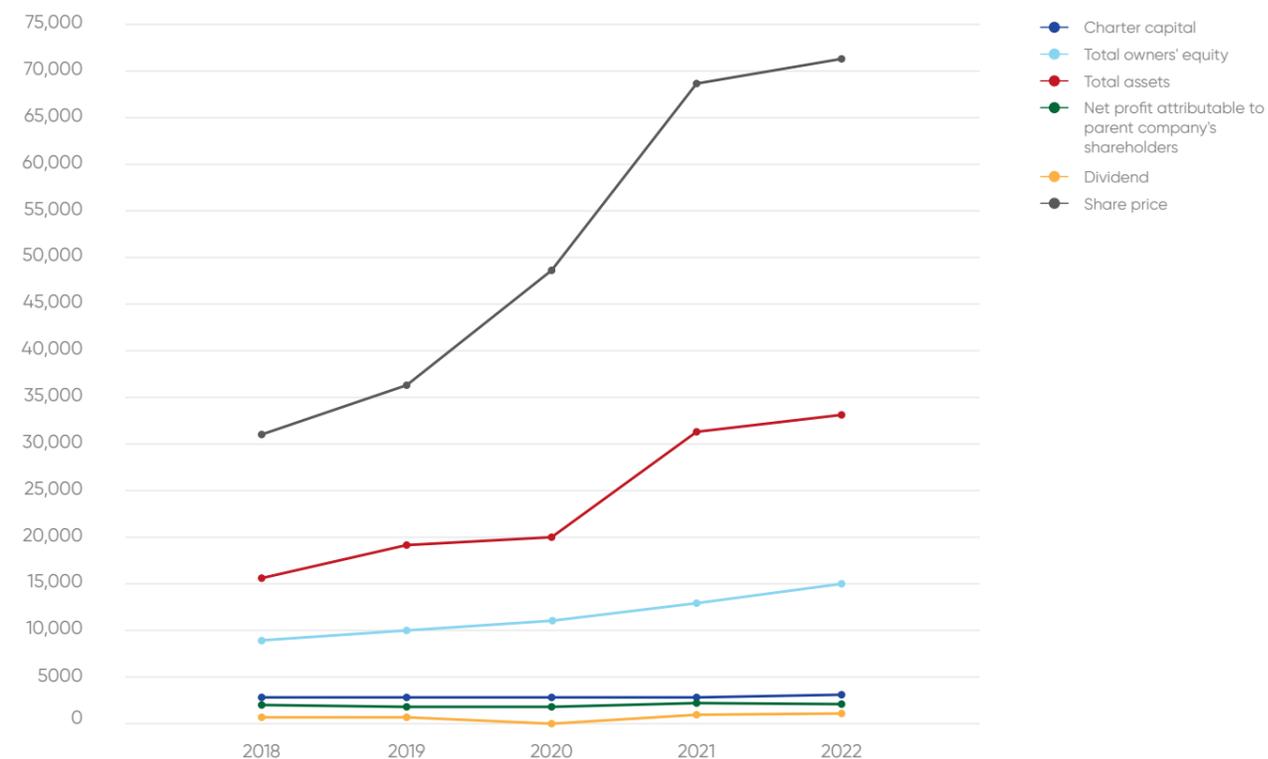


PROFIT AFTER TAX



REE by numbers

REE BY NUMBERS



Unit: VND billion, unless otherwise stated

	2018	2019	2020	2021	2022	5-year CAGR
Charter capital	3,101	3,101	3,101	3,101	3,564	3.5%
Total owners' equity	9,319	10,397	11,453	13,302	15,506	13.6%
Total assets	15,500	19,623	20,531	31,827	33,915	21.6%
Net profit attributable to parent company's shareholders	1,784	1,639	1,628	1,855	2,693	10.8%
Dividend (Cash & Stock Dividend)	558	496	-	773	889	12.3%
Dividend Payout Ratio (in Cash & Stock Dividend) (% PAT)	31.3	30.3	0.0	41.6	33.0	
ROE (%)	20.6	16.6	14.9	15.0	18.7	
Share price (as of 31 Dec)	30,800	36,300	48,950	69,100	71,500	23.4%

## Corporate governance

### Transfer to the New Generation on 1<sup>st</sup> August 2020

REE completed the "Transfer to the New Generation" process with the appointment of Mr. Huynh Thanh Hai as the new General Director of the Group replacing Ms. Nguyen Thi Mai Thanh, who had been in this position for the previous 35 years. This was done to separate the position of Chairman and General Director of the Group from 1st August 2020. At the same time, REE appointed two Deputy General Directors of the Corporation, Mr. Nguyen Ngoc Thai Binh, and Mr. Nguyen Quang Quyen.

### Corporate restructuring 2020 Corporate restructuring 2020

In parallel with the "Transfer to the New Generation" process, the comprehensive restructuring of the Group's organizational operations was carried out flexibly and effectively. Three limited companies in the fields of Electricity, Water, and Real Estate were established and transformed into three "sub-holdings" under 100% ownership from REE along with the traditional M&E segment.

#### Set up Energy sub-holding company (REE Energy)

- Charter capital: VND 6,380,000,000,000
- Transfer the ownership of the power portfolio from REE Corporation to REE Energy

#### Change in form of REE Water joint-stock company into form of Company Limited (REE Water)

- Charter capital: VND 1,630,000,000,000
- Transfer the ownership of the Water portfolio from REE Corporation to REE Water

#### Change in form of REE Real Estate joint-stock company into form of Company Limited (REE Land)

- Charter capital: VND912,069,172,000
- Transfer the ownership of the Real estate portfolio from REE Corporation to REE Land

### Human resources

Human resources activity has made significant strides including:

- Recruited key positions across BUs
- Build Performance Management concept & KPI process to drive the employee's productivity to be aligned with the business's objectives and apply full KPI cycle from 2021 onwards.
- Leadership training & Talent Development
- Total Rewards: Completed project to build the Pay Structure at REE
- Employee Engagement & Internal communication

### Digital transformation

- Set up REE Digital: 15/3/2022
- Google Workspace
- Building and launching business apps: BlueFix and REE Town



**The Board of Directors targets an average earning growth rate of 15% annually for the next 5 years.**

## Strategy for 2023 and beyond

In the new term of 2023 - 2027, the Board of Directors will focus on new power and water capacity building and project development across all businesses.

Our country is in a period of an energy transition to cleaner, greener, more efficient energy sources, and this is well-aligned with the vision and goal that REE is aiming for.

The specific missions will be:

- Increasing investment in renewable energy including new capacity development, energy storage, and consulting services on energy management and efficient usage through M&E services.
- Increasing water treatment capacity, and consulting on the management of efficient usage of raw water and surface water through technological equipment to account for a significant proportion of operation management.
- Expanding into sectors including: liquid, solid, and environmental waste treatment.
- As for the real estate sector, REE continues to increase office space for lease in line with market demand and focus on housing projects and urban residential projects of medium size for most customers in the high average income group.
- The M&E Project and Air-conditioner trading sectors have been facing fierce competition and REE M&E should focus on providing M&E services of high-tech, energy-saving, and reasonable operating costs. Therefore, strengthening the team to adapt to such requirements, ensuring sustainable operation and easy monitoring are among the priority missions for the success of the business.

The Board of Directors targets an average earning growth rate of 15% annually for the next 5 years.

# 01

## Corporate Information

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# Subsidiaries and Associates

## M&E Services



### REE M&E

R.E.E MECHANICAL & ELECTRICAL  
ENGINEERING JSCHCM

📍 HCMC  
⚙️ Nationwide **Charter Capital** VND 165bn.

90.9%



### Reetech

R.E.E ELECTRIC APPLIANCES JSC

📍 HCMC  
⚙️ Nationwide **Charter Capital** VND 150bn.

99.99%



### RMC

RMC TRADE & SERVICES COMPANY  
LIMITED

📍 HCMC  
⚙️ Nationwide **Charter Capital** VND 40bn.

100%



### REEPRO

REEPRO SERVICE & MANUFACTURING  
COMPANY LIMITED

📍 HCMC  
⚙️ Nationwide **Charter Capital** VND 50bn.

100%

## Properties



### REE Property

R.E.E REAL ESTATE COMPANY  
LIMITED

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 6bn.

100%



### REE Land

REE LAND COMPANY LIMITED

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 912bn.

100%



### SongMai

SONG MAI REAL ESTATE JSC

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 300bn.

73.99%



### TanHai

TAN HAI REAL ESTATE JSC

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 50bn.

99.99%



### SongLong

SONG LONG REAL ESTATE JSC

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 5bn.

70.0%



### SGR

SAIGON REAL ESTATE JSC

📍 HCMC  
🏠 Nationwide **Charter Capital** VND 600bn.

28.9%

## Energy



### REE Energy

REE ENERGY COMPANY LIMITED

📍 HCMC  
⚡ Nationwide **Charter Capital** VND 6,380bn.

100%



### REE SE

REE SOLAR ENERGY JSC

📍 HCMC  
⚡ 113 MWP **Charter Capital** VND 600bn.

100%



### PPC

PHA LAI THERMAL POWER JSC

📍 Hai Duong  
⚡ 1.040 MW **Charter Capital** VND 3,262bn.

24.1%



### NBP

NINH BINH THERMAL POWER JSC

📍 Ninh Binh  
⚡ 100 MW **Charter Capital** VND 129bn.

99.99%



### TBC

THAC BA HYDROPOWER JSC

📍 Yen Bai  
⚡ 120 MW **Charter Capital** VND 635bn.

60.4%



### TBC2

THAC BA 2 HYDROPOWER JSC

📍 Yen Bai  
⚡ 18.9 MW **Charter Capital** VND 173bn.

35.6%



### VSH

VINH SON - SONG HINH  
HYDROPOWER JSC

📍 Binh Dinh - Phu Yen - Kon Tum  
⚡ 356 MW  
**Charter Capital** VND 2,362bn.

52.1%



### TMP

THAC MO HYDROPOWER JSC

📍 Binh Phuoc, Dak Lak, Lam Dong  
⚡ 150 MW ⚡ 50MWp  
**Charter Capital** VND 700bn.

42.6%



### ISH

IDICO - SROK PHU MIENG  
HYDROPOWER JSC

📍 Binh Phuoc  
⚡ 51 MW **Charter Capital** VND 450bn.

34.3%



### SHP

MIEN NAM HYDROPOWER JSC

📍 Lam Dong  
⚡ 123 MW **Charter Capital** VND 1,012bn.

11.1%



### CHP

MIEN TRUNG HYDROPOWER JSC

📍 Thua Thien Hue, Dak Nong **Charter Capital**  
⚡ 170 MW ⚡ 50MWp VND 1,469bn.

24.2%



### BDH

BINH DIEN HYDROPOWER JSC

📍 Thua Thien Hue  
⚡ 44 MW **Charter Capital** VND 155bn.

25.5%



### MHP

MUONG HUM HYDROPOWER JSC

📍 Lao Cai  
⚡ 35 MW **Charter Capital** VND 508bn.

79.8%



### IED

INDOCHINA ELECTRICITY DEVELOPMENT  
JSC

📍 Lai Chau  
⚡ 22 MW **Charter Capital** VND 203bn.

100%

Water &  
Environment



**SBH**  
SONG BA HA HYDROPOWER JSC

Phu Yen  
220 MW Charter Capital VND 1,242bn.

25.8%



**TBW**  
THUAN BINH WIND POWER JSC

Binh Thuan  
78 MW Charter Capital VND 500bn.

50.0%



**DTV**  
TRA VINH ELECTRIC DEVELOPMENT JSC

Tra Vinh Charter Capital VND 53bn.

66.3%



**REE Water**  
REE WATER COMPANY LIMITED

HCMC Charter Capital VND 1,630bn.

100%



**TK Cộg**  
TK PLUS COMPANY LIMITED

HCMC Charter Capital VND 12bn.  
Nationwide

65.0%



**B.O.O THỦ ĐỨC**  
B.O.O THU DUC WATER JSC

HCMC Charter Capital VND 558bn.  
300.000 cbm/day

42.1%



**TDW**  
THU DUC WATER SUPPLY JSC

HCMC Charter Capital VND 85bn.  
Dist 2, Dist 9, Thu Duc City

44.2%



**SWIC**  
SAI GON CLEAN WATER BUSINESS & INVESTMENT JSC

HCMC Charter Capital VND 150bn.  
300.000 cbm/day

40.0



**KHW**  
KHANH HOA WATER SUPPLY & SEWERAGE JSC

Khanh Hoa Charter Capital VND 286bn.  
120.000 cbm/day  
Nha Trang City, Dien Khanh Dist, Khanh Son Dist

44.0%



**THW**  
TAN HIEP CLEAN WATER INVESTMENT JSC

HCMC Charter Capital VND 240bn.  
300.000 cbm/day

32.0%



**NBW**  
NHA BE WATER SUPPLY JSC

HCMC Charter Capital VND 109bn.  
Dist 4, Dist 7, Nha Be Dist

20.0%



**VCW**  
SONG DA WATER INVESTMENT JSC

Hoa Binh, Ha Noi Charter Capital VND 750bn.  
300.000 cbm/day

36.0%



**GDW**  
GIA DINH WATER SUPPLY JSC

HCMC Charter Capital VND 95bn.  
Binh Thanh Dist, Phu Nhuan Dist

20.1%

## Top awards



**Forbes**  
Top 50 Best Listed Companies



**Vietnam Report**  
Top 5 M&E Contractors-  
Reputation Award



**Vietnam Report**  
Top 500 Largest  
Companies In Vietnam



**Vietnam Report**  
Vietnam Top 50 Public  
Companies

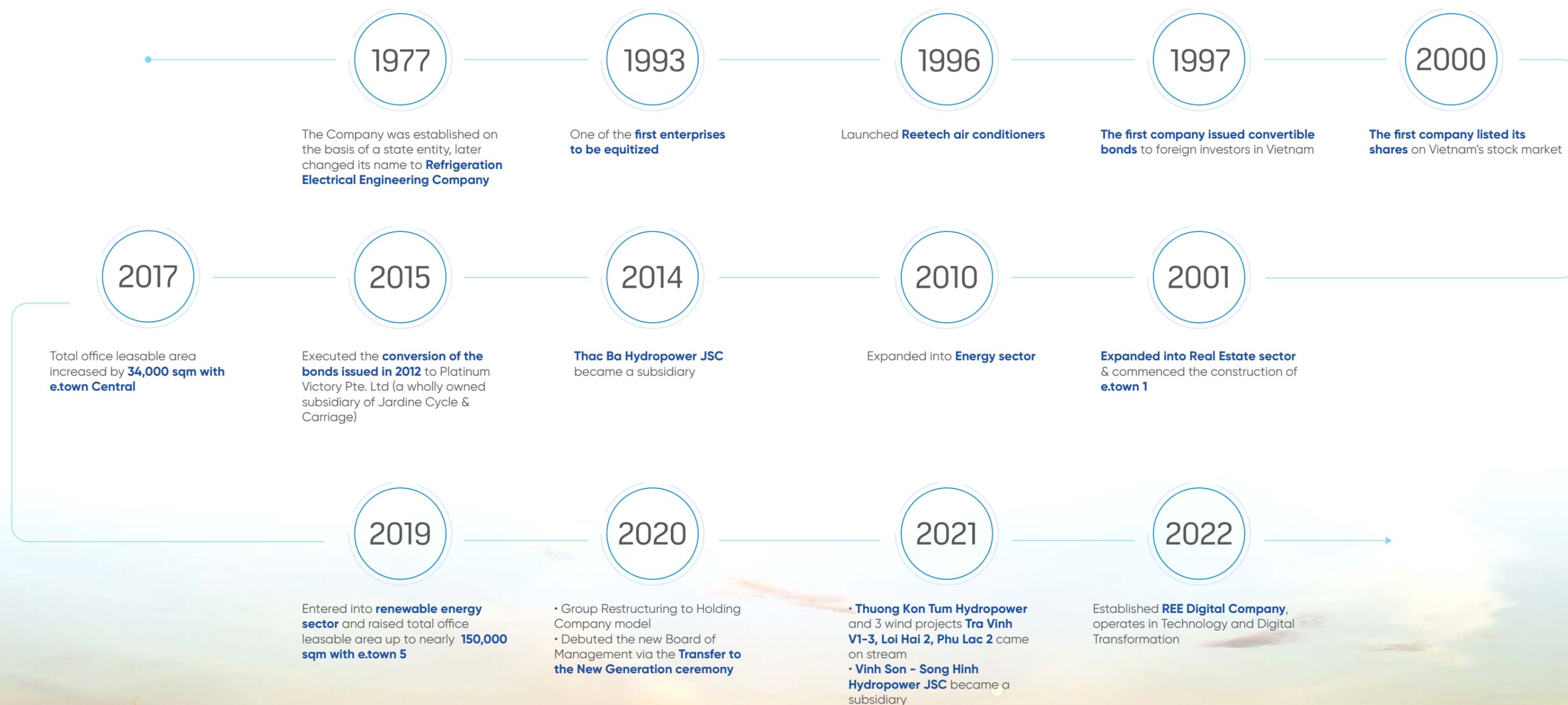


**Nhip Cau Dau Tu**  
Vietnam's 50 Best-  
Performing  
Companies



**Vietnam High  
Quality Product**

## 46 years of lasting development



# Management team

## Board of Directors



Chairwoman  
**Ms. Nguyen Thi Mai Thanh**  
Appointment: 1993

### 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.



Executive Director  
**Mr. Huynh Thanh Hai**  
Appointment: 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 other 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)



Executive Director  
**Mr. Nguyen Ngoc Thai Binh**  
Appointment: 2007

### 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

Nil.



Non-executive Vice Chairman  
**Mr. Alain Xavier Cany**  
Appointment: 2021

### 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



Independent Director  
**Mr. Mark Andrew Hutchinson**  
Appointment: 2022

### Education

- Masters in Public Policy – Energy and Environmental Regulation (Harvard Kennedy School, Harvard University)
- Bachelors of Economics (Earlham College, Richmond, Indiana, USA)

### Experience

- 2019 – present: Global Wind Energy Council, Chair, Southeast Asia Task Force
- 2016 – 2020: Wood Mackenzie, Vice President, Head of APAC Energy Transition Consulting
- 2015 – 2016: Managing Director of AWR Lloyd
- 2006 – 2015: Managing Director of IHS

### Other current positions

At other companies: Nil.



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
- 1993 – 2012: Managing Director and Head of M&A Asia of UBS Investment Bank

### Other current positions

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



Independent Director  
**Mr. Do Le Hung**  
Appointment: 2021

### 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

At other companies: Nil.

# Management team

## Board of Management



Executive Director  
**Mr. Huynh Thanh Hai**  
Appointment: 2020

### 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 other 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)



Deputy General Director  
**Mr. Nguyen Quang Quyen**  
Appointment: 2020

### Education

Master of Business Administration (Columbia Southern University, US)

### Experience

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



Executive Director  
**Mr. Nguyen Ngoc Thai Binh**  
Appointment: 2020

### 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

Nil.



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

- Joined REE Corporation in 2001, having worked in a variety of roles in the Company
- Currently the Chief Accountant of REE Group

## Shareholders & Shareholdings

**3,564,104,840,000** vnd

Charter capital

**356,410,484** shares

Number of listed shares

**355,402,569** shares

Number of outstanding shares

**1,007,915** shares

Number of treasury shares

### 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 2013	Conversion of REECB2012 bond into common shares - Phase 1	Platinum Victory Pte. Ltd	2,446,433,850,000	190,430,000,000	2,636,863,850,000
29 Apr 2014	ESOP Share Issue	Key Managers & Employees	2,636,863,850,000	19,651,540,000	2,656,515,390,000
1 Dec 2014	Conversion of REECB2012 bond into common shares - Phase 2	Platinum Victory Pte. Ltd	2,656,515,390,000	34,190,000,000	2,690,705,390,000
19 Dec 2015	Conversion of REECB2012 bond into common shares - Phase 3	Platinum Victory Pte. Ltd	2,690,705,390,000	5,462,710,000	2,696,168,100,000
3 Jun 2016	FY2015 Share Dividend Issue	Existing shareholders	2,696,168,100,000	404,420,310,000	3,100,588,410,000
18 May 2022	FY2021 Share Dividend Issue	Existing shareholders	3,100,588,410,000	463,516,430,000	3,564,104,840,000

### Shareholding Structure

By geography	1 Mar 2023			1 Mar 2022		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
<b>Local</b>	<b>16,472</b>	<b>181,769,347</b>	<b>51.0%</b>	<b>16,603</b>	<b>158,130,015</b>	<b>51.0%</b>
Individuals	16,343	121,340,485	34.0%	16,442	112,855,602	36.4%
Institutions	129	60,428,862	17.0%	161	45,274,413	14.6%
<b>Foreign</b>	<b>486</b>	<b>174,641,137</b>	<b>49.0%</b>	<b>473</b>	<b>151,928,826</b>	<b>49.0%</b>
Individuals	405	1,217,506	0.3%	399	1,104,060	0.4%
Institutions	81	173,423,631	48.7%	74	150,824,766	48.6%
<b>Total</b>	<b>16,958</b>	<b>356,410,484</b>	<b>100.0%</b>	<b>17,076</b>	<b>310,058,841</b>	<b>100.0%</b>

By Type	1 Mar 2023			1 Mar 2022		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
<b>Major shareholders (over 5%)</b>	<b>6</b>	<b>226,720,182</b>	<b>63.6</b>	<b>5</b>	<b>185,125,214</b>	<b>59.7</b>
State-owned (HFIC)	1	18,793,241	5.3	1	16,341,949	5.3
Local	2	50,652,884	14.2	2	54,625,987	17.6
Foreign	3	157,274,057	44.1	2	114,157,278	36.8
<b>Others</b>	<b>16,952</b>	<b>129,690,302</b>	<b>36.4</b>	<b>17,071</b>	<b>124,933,627</b>	<b>40.3</b>
Local	16,469	112,323,222	31.5	16,600	87,162,079	28.1
Individuals	16,341	70,687,601	19.8	16,440	58,229,615	18.8
Institutions	128	41,635,621	11.7	160	28,932,464	9.3
Foreign	483	17,367,080	4.9	471	37,771,548	12.2
Individuals	405	1,217,506	0.3	399	1,104,060	0.4
Institutions	78	16,149,574	4.5	72	36,667,488	11.8
<b>Total</b>	<b>16,958</b>	<b>356,410,484</b>	<b>100.0%</b>	<b>17,076</b>	<b>310,058,841</b>	<b>100.0</b>

Major Shareholders	1 Mar 2023			1 Mar 2022		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Platinum Victory Pte, Ltd	1	119,557,466	33.5	1	95,944,028	30.9
Nguyen Thi Mai Thanh	1	43,368,713	12.2	1	37,711,925	12.2
Nguyen Ngoc Hai	1	19,451,171	5.5	1	16,914,062	5.5
ETF DCVFMVN DIAMOND Fund	1	19,841,384	5.6	0	0	0
State-owned (HFIC)	1	18,793,241	5.3	1	16,341,949	5.3
Apollo Asia Fund Ltd	1	17,875,207	5.0	1	18,213,250	5.9
Others	16,952	117,523,302	33.0	17,071	124,933,627	40.3
<b>Total</b>	<b>16,958</b>	<b>356,410,484</b>	<b>100.0</b>	<b>17,076</b>	<b>310,058,841</b>	<b>100.0</b>

### 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 with Mr. Alain Xavier Cany - Vice Chairman of the Board of Directors	95,944,028	30.9%	119,557,466	33.5%	Ownership increase and dividend received in 2021
2	Apollo Asia Fund	Major shareholders	18,213,250	5.9%	17,875,207	5.0%	Ownership decrease
	Panah Master Fund		6,947,800	2.3%	6,818,400	1.9%	

### Treasury share transactions

In 2022, REE neither purchased nor sold treasury shares.

- Number of treasury shares as at 1 Jan 2022: 1,007,915 shares.
- Number of treasury shares as at 31 Dec 2022: 1,007,915 shares.

# 03

## Management report

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## 2022 Business Results

“

**Consolidated revenue reaching VND 9,372 billion, an increase of 61% year on year, and net profit after tax attributable to shareholders of the parent achieving VND 2,693 billion, an increase by 45% YoY and outperforming the target by 31%**

### Dear our fellow Shareholders and Investors,

During the year 2022, REE Group's core businesses had experienced many challenges post COVID-19 pandemic, major macroeconomic fluctuations and rising geopolitical tension. Business performance on one hand outperformed in terms of profit after tax, on the other hand fell behind the proposed capacity growth target.

In the aforementioned context, REE Group recorded in 2022:

Consolidated revenue reaching VND 9,372 billion, an increase of 61% year on year, and net profit after tax attributable to shareholders of the parent achieving VND 2,693 billion, an increase by 45% YoY and outperforming the target by 31%, amongst which:

- Energy business contributed the highest to the Group's growth in consolidated revenue and profit after tax. Its 2022 revenue achieved VND 5,365 billion, up by 81% over the last year, outperforming the target by 29%. Its 2022 profit after tax posted VND 1,666 billion, up by 91% over the past year, outperforming the target by 63%. This impressive performance thanks mainly to the contribution of hydropower plants. Favorable hydrology occurred across Central and Southern provinces. Commercial power output of hydropower segment reached 7,082 GWh, up by 32% year on year. Wind power recorded increased power output but also faced an array of challenges relating to decreasing wind speed and rising

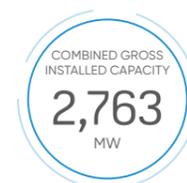
interest rate pressure throughout the year. Rooftop solar posted reduction in power output volume and investment return compared with the previous year.

- Properties and Water & Environmental Services reported another year of stable operations and thus delivered a stable revenue and profit as per target:
  - » Office Leasing business maintained high occupancy level with slightly increased rents.
  - » Real Estate Development business successfully won the bidding for a commercial real estate project at Bo Xuyen Ward (Thai Binh Province) and will be released for sale next year.
  - » Due to bottleneck in permit approval, there was no water treatment capacity growth & environmental projects were unable to finalize their legal procedures in 2022.

- M&E services business although gradually recovered during 2022 but its growth was not in line with the expectation and as a result fell behind the target. Key factors included unfavorable macroeconomic situation: high interest rates, tightened credit room, postponed permit approval process and the Government's actions in against violations regarding corporate bond issuance. The market faced a wide range of challenges and harsh competition.

In 2022, REE focused on strategic human resource planning through training programs and the implementation of human resource management system with the adoption of certain standardized policies. Acquiring and building next-generation talent pools were actively executed in parallel with enhancing welfare package and engagement activities for group-wide employees.

Digital transformation made certain progresses in deploying centralized management systems for project management and business operation. Such digital systems have been synced amongst business units and all target users. Two app mobile services including Bluefix (a air-conditioner repair - maintenance service application) and REE Town (a multi-service application for the e.town Cong Hoa community) were launched.



### Hydro Power

## Energy Business

In 2022, the Energy business delivered an outstanding performance with its revenue jumping to VND 5,365 billion from VND 2,963 billion in 2021 and total commercial power output reaching 11,341 million kWh - a 24.1% increase over last year - thanks to favorable hydropower performance and the first full-year performance recognition of the wind power plants. Average market electricity tariff in 2022 was also recorded at high level (c.VND 1,602 per kWh) due to surging global fuel prices. Profit after tax posted VND 1,666 billion, increasing by 91% relative to the previous year and exceeding the target profit by 62.7%.

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (*) (million kWh)	9,138	<b>11,341</b>	24.1%
Revenue (**)	2,963	<b>5,365</b>	81.1%
Profit after tax (**)	872	<b>1,666</b>	91.0%

(\*) on 100% basis  
(\*\*) on consolidated basis



The segment generated a power output of 7,082 million kWh (accounting for 62.4% of total generation output), making it the highest contributor in the energy business this year. Hydropower plants benefited from a wide array of advantages during the year, consisting of (i) an extended La Nina phase until the end of 2022 setting off high

precipitation and abundant water flows for reservoirs - especially in Central and Southern areas and (ii) high electricity tariff offered by thermal power plants, thus prioritizing power mobilization from hydropower plants and driving up power tariff on CGM.

The year 2022 is the first full year of Thuong Kon Tum Hydropower Plant's operation, which generated 1,571 million kWh of commercial power output and delivered VND 2,198 billion in revenue.

In 3Q2022, REE Energy acquired 100% shareholdings of Indochina Electrical Development JSC - the company owning Nam Ban 2 Hydropower Plant (22 MW) located in Nam Nhun District, Lai Chau Province.

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	5,375	<b>7,082</b>	31.8%

**Thac Ba Hydro Power  
JSC (HOSE: TBC)**

Unit: VND billion

	2021	2022	% thay đổi
Commercial power output (million kWh)	337	405	20.1%
Revenue	294	498	69.3%
Profit after tax	143	309	116.8%

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 2022, the plant delivered a total commercial power output of 405 million kWh, up by 20.1% over last year, thanks to favorable hydrology conditions lasting from end 2021 until early 3Q2022.

In 2021, TBC invested 49% in Thac Ba 2 Hydropower Investment JSC to develop the 18.9-MW Thac Ba 2 Hydropower Plant (TBC2). The plant is expected to come on stream in 2024 and contribute an annual power output of circa 51.5 million kWh. Electricity tariff of the plant will be based on the avoided cost tariff mechanism. The project's total investment cost is estimated at VND 649 billion. TBC2 started construction in Oct 2022 and has successfully appointed contractors for key work packages including construction, M&E and insurance.

**Vinh Son – Song Hinh  
Hydro Power JSC  
(HOSE: VSH)**

Unit: VND billion

	2021	2022	% change
Commercial power output (million kWh)	1,771	2,586	46.0%
Revenue	1,611	3,085	91.4%
Profit after tax	387	1,264	226.3%

VSH owns a 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 2022, the commercial power output of Vinh Son and Song Hinh were 481 million kWh and 534 million kWh respectively, thanks to advantageous hydrologic conditions, stable operations and higher average market electricity tariff than previous year.

This year was also the first full operational year of Thuong Kon Tum Hydropower Plant after 12 years of construction. The plant contributed a total of 1,571 million kWh to the national power output in 2022.

**Thac Mo Hydro Power  
JSC (HOSE: TMP)**

Unit: VND billion

	2021	2022	% thay đổi
Commercial power output (million kWh)	658	860	30.7%
Revenue	505	919	82.0%
Profit after tax	334	544	62.8%

TMP owns a total generation capacity of 170 MW, including:

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

In 2022, TMP's hydropower output achieved 860 million kWh, up by 30.7% year on year thanks to advantageous hydrology in the South upon the extended La Nina period. This year, its water reservoir had a record high water level in the last five years.

**Solar Power**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	69	72	4.2%
Revenue	69	119	2.9%
Profit after tax	22	15	-31.3%

TMP also owns a 50-MWp ground-mounted solar farm commercially operating since December 2020 in Binh Phuoc Province. Its solar farm possessed relatively stable operations with the capacity factor around 16%. Its commercial solar power output reached 72 million kWh in 2022.

**Muong Hum  
Hydropower JSC  
(MHP)**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	160	181	13.2%
Revenue	203	228	12.2%
Profit after tax	83	112	34.3%

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 2022, the commercial power output of MHP achieved 181 million kWh and power generation revenue recorded VND 228 billion, or a 13.2% and 12.2% increase respectively over the previous year thanks to the favorable hydrology and the adoption of capacity factor improvement measures such as water flow restoration project.

Unit: VND billion, unless otherwise stated

**Srok Phu Mieng  
IDICO Hydro Power  
JSC (Upcom: ISH)**

	2021	2022	% change
Commercial power output (million kWh)	230	280	21.7%
Revenue	238	267	12.2%
Profit after tax	95	113	18.3%

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 2022, ISH generated a commercial power output of 280 million kWh, up by 21.7% over 2021, benefitting from advantageous hydrology conditions and abundant water flow from the upstream plant - Thac Mo Hydro Power Plant.

Unit: VND billion, unless otherwise stated

**Ba Ha River Hydropower  
JSC (UPCOM: SBH)**

	2021	2022	% change
Commercial power output (million kWh)	723	931	28.9%
Revenue	870	1,143	31.4%
Profit after tax	471	650	38.2%

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 2022, SBH generated 931 million kWh in commercial power output, an increase of 28.9% over 2021 thanks to higher and longer precipitation across Central provinces, which enabled a stable water flow running to its reservoir. This was the year that SBH's profit hit its five(05)-year high.

Unit: VND billion, unless otherwise stated

**Binh Dien Hydropower  
JSC (BDH)**

	2021	2022	% change
Commercial power output (million kWh)	193	240	24.5%
Revenue	187	280	50.0%
Profit after tax	86	180	108.3%

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 2022, BDH benefited from favorable hydrologic conditions and heavy rainfall in the Central. Its commercial power output was 240 million kWh, up by 24.5% compared with 2021. Revenue and profit after tax achieved VND 280 billion and VND 180 billion respectively, which were the record-setting financial results of BDH over the past five years.

Unit: VND billion, unless otherwise stated

**Central Hydropower  
JSC (HOSE: CHP)**

	2021	2022	% change
Commercial power output (million kWh)	558	845	51.3%
Revenue	616	926	50.4%
Profit after tax	232	174	109.1%

CHP owns A Luoi Hydropower Plant with a generation capacity of 170 MW, situated in Thua Thien Hue Province and 52-MWp Cu Jut Solar Farm in Dak Nong Province.

In 2022, A Luoi Hydropower Plant generated its commercial power output of 845 million kWh, up by 51.3% compared with last year thanks to favorable hydrology and the year 2021's lower base output caused by the tunnel issue disrupting its power generating capability in the first four months of 2021.

**Solar Farm**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	79	80	1.1%
Revenue	171	174	1.6%
Profit after tax	7	25	272.9%

Commercial power output of Cu Jut solar power plant recorded 80 million kWh. The plant continued to encounter curtailment in the context of redundant power sources. The curtailed output was 4.8 million kWh. However, the average curtailment rate was 5.7% in 2022, down by 4.1% year on year.

CHP achieved a profit after tax of VND 492 billion, which was the record-setting profit of CHP over the past five (05) years.

Unit: VND billion, unless otherwise stated

**Southern Hydropower  
JSC (HOSE: SHP)**

	2021	2022	% change
Commercial power output (million kWh)	647	673	3.9%
Revenue	658	746	13.4%
Profit after tax	265	318	20.1%

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 2022, SHP generated 673 million kWh in total commercial power output, up by 3.9% compared with 2021 thanks to favorable hydrologic situation in the South and higher market electricity tariff relative to 2021.

Unit: VND billion, unless otherwise stated

**Indochina Electricity  
Development JSC  
(IED)**

	2021	2022	% change
Commercial power output (million kWh)	96	81	-16.0%
Revenue	112	100	-10.8%
Profit after tax	18	16	-8.1%

IED owns Nam Ban 2 Hydropower Plant (22 MW) which is situated at Nam Ban Commune, Nam Nhun District, Lai Chau Province. In July 2022, IED was officially a wholly owned subsidiary of REE Energy.

In 2022, the hydrologic conditions at Nam Ban Stream progressed in an unexpected manner with a record low precipitation and water flows to reservoir compared with multiple-year average level. Its commercial power output was 81 million kWh, equivalent to a drop of 16% over the past year.

**Thermal Power**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	3,074	3,348	8.9%

The segment produced a power output of 3,348 million kWh (accounting for 29.5% of total generation output). In 2022, thermal power plants were hit by the global energy crisis. Operational costs of the plants soared as a result of rising fuel prices. This drove up their electricity tariff, which greatly impacted their mobilized power output and profitability accordingly.

Unit: VND billion, unless otherwise stated

**Pha Lai Thermal Power  
JSC (HOSE: PPC)**

	2021	2022	% change
Commercial power output (million kWh)	2,681	2,979	11.1%
Revenue	3,885	5,116	31.7%
Profit after tax	287	373	29.7%

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

In 2022, the commercial power output of PPC increased by 11.1% to 2,979 billion kWh owing to the year 2021's lower base output caused by the one-month overhaul conducted for the power generating unit S5 (PPC2). PPC appointed a relevant repair contractor for the generating unit S6 (Capacity: 300 MW) which broke down in Mar 2021. The overhaul project had taken off and the generating unit S6 is expected to resume its operation in September 2023.

Rising fuel prices due to the global energy crisis caused a variety of challenges for thermal power plants, including PPC, in managing their business performance. PPC's 2022 profits were thereby mainly from financial income, particularly foreign exchange gains associated with its 2015 and 2017 offshore loans which were settled off during this year.

**Ninh Binh Thermal  
Power JSC (HNX: NBP)**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	391	369	-5.6%
Revenue	844	932	10.5%
Profit after tax	26	24	-7.2%

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 2022, the plant generated 369 million kWh in commercial power output, a decrease of 5.6% over 2021 because of rising coal prices. Increasing power-generating costs of thermal power plants drove down their mobilized electricity output.

**Wind Power**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Profit after tax	134	330	146.1%

The segment delivered a power output of 330 million kWh, equivalent to nearly two and a half-fold increase over last year thanks to the full-year recognition of three wind power plants' operations, including Phu Lac 2, Loi Hai 2 and Tra Vinh V1-3 Wind Plants.

However, wind power plants encountered certain difficulties including (i) an 8% drop year on year in average wind speed in Binh Thuan Province, (ii) high curtailment applicable to Phu Lac 2 and Loi Hai 2 Project and (iii) the devaluation of Vietnamese dong and rising interest rates driving financial expenses of Thuan Binh Wind Power JSC upward.

Unit: VND billion, unless otherwise stated

**Thuận Bình Wind  
Power JSC (TBWP)**

	2021	2022	% change
Commercial power output (million kWh)	97	186	93.1%
Revenue	201	369	83.5%
Profit after tax	125	100	-19.6%

TBWP owns a total generation capacity of 79 MW including three operational wind power plants:

- 24-MW Phu Lac 1 Wind Power Plant starting its commercial operation in Sep 2016. Feed-in tariff: 8.5 US Cents/kWh.
- 26-MW Phu Lac 2 Wind Power Plant starting its commercial operation in Oct 2021. Feed-in tariff: 8.5 US Cents/kWh.
- 29-MW Loi Hai 2 Wind Power Plant starting its commercial operation in Oct 2021. Feed-in tariff: 8.5 US Cents/kWh.

The commercial power output in 2022 of three wind power plants Phu Lac 1, Phu Lac 2 and Loi Hai 2 were 51 million kWh, 58 million kWh and 78 million kWh respectively.

In 2022, under the impact of global economic downturn and financial instability, rising interest rates and USD/VND exerted a negative influence on the financial health of TBWP. In the context of LIBOR surging from 0.5% by early 2022 to 4.5% by its year-end caused TBWP's financial expenses to considerably soar. Thereby, its 2022 revenue recorded VND 369 billion, a significant increase relative to 2021, however its profit after tax landed at only VND 100 billion, or a 19.6% decline year on year.

**REE Tra Vinh Wind  
Power Co. Ltd.**

Tra Vinh V1-3 is a 48-MW near-shore wind power project which is 100%-owned and developed by REE Corporation. The plant consists of twelve (12) wind turbines located at the coastline of Trung Long Hoa Commune, Duyen Hai Town, Tra Vinh Province.

The plant had its construction phase started in 2Q2020, came into commercial operation on 27th October 2021 and was applied with a 20-year feed-in tariff policy following Decision No.39/2018/QĐ-TTg dated 10 Sep 2018 of the Prime Minister. The year 2022 remarked the first full operational year of the plant with a commercial power output reaching 144 million kWh, a revenue of VND 328 billion and a profit after tax of VND 107 billion.

**Rooftop Solar  
Power**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	113	120	6.2%
Revenue	213	226	6.1%
Profit after tax	68	48	-29.2%

The segment produced a power output of 120 million kWh, up by 6.2% compared to last year. There was 20 MWp of new capacity coming on stream during the year, solely selling the generated power to on-site manufacturing plants (rather than selling power back to the electricity grid). However, the segment posted a decreased NPAT due to (i) lower capacity factor resulted from reduced power consumption in many manufacturing plants which temporarily shut or scaled down their operations as the global market demand weakened and (ii) higher operational and maintenance (O&M) costs compared with 2021 as last year O&M activities failed to be fully executed in the context of COVID-19 pandemic raging throughout the second half of the year.

**Electricity  
Distribution****Tra Vinh Electric  
Development JSC  
(UPCOM: DTV)**

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Commercial power output (million kWh)	294	308	4.9%
Revenue	557	591	6.2%
Profit after tax	26	28	10.0%

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. REE acquired a controlling stake in DTV in Aug 2016.

In 2022, DTV distributed a total commercial power output of 308 million kWh, a 4.9% higher than previous year, thanks to recovered electricity consumption demand post COVID-19 pandemic. DTV delivered a revenue of VND 591 billion and a profit after tax of VND 28 billion, up by 6.2% and 10.0% respectively compared with 2021.

## Mechanical & Electrical Engineering Services (M&E Services)

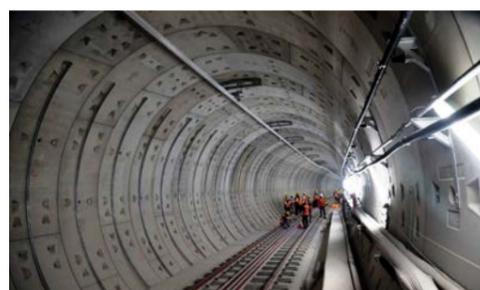
Our M&E Services segment achieved a revenue of VND 2,816 billion in 2022, up by 55,0% compared to VND 1,816 billion in 2021, thanks to high number and value of new M&E contracts signed at the end of 2021 (VND 3,757 billion) that facilitates the business recovery of REE M&E this year. Overall construction activities also recovered in the first half of 2022 compared to the epidemic period in 2021.

### Outstanding projects of M&E Services in 2022:



#### Groz-Bekaert Project – Phase 2

With this project, REE M&E was awarded the High-Quality Construction Project 2022 by the Ministry of Construction.



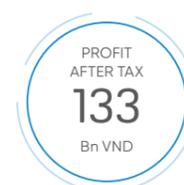
#### Ben Thanh Metro Station

REE M&E is the contractor of M&E System Supply and Installation Package (1A Contractor Package) of Ben Thanh Metro Station (a part of Ben Thanh – Suoi Tien Metro Line - the first metro line brought into construction in Vietnam)



#### T2 Passenger Terminal – Phu Bai International Airport

REE M&E is the MEPF contractor of T2 Passenger Terminal – Phu Bai International Airport (Total GFA: 22,381 sqm | Service capacity: 5 million passengers per annum)



Unit: VND billion, unless otherwise stated

	2021	2022	% change
Value of new contracts	3,757	<b>2,405</b>	-36.0%
Sale volume of air-conditioners (units)	24,916	<b>31,771</b>	27.5%
Revenue	1,816	<b>2,816</b>	55.0%
Profit after tax	98	<b>133</b>	35.7%

However, in 2022, the market witnessed a wide range of new challenges impacting the business circumstances of our M&E Services, including geopolitical risks, lasting Russia – Ukraine war and global supply chain bottlenecks that in tandem put severe upward pressure on global material prices and transportation costs. Therefore, the profit margins of M&E Services' projects were hit in 2022.

Furthermore, unfavorable events in the property sector appeared around year-end, together with tightening credit policies and unresolved legal issues of real estate projects, exerted adverse influence on the new order book. There was a limited number of projects available for construction phases as many public infrastructure projects were delayed and numerous projects were stuck at legal clearance or financial arrangement. This resulted in a harsh bidding war amongst M&E contractors. REE M&E posted a total new order book at VND 2,405 billion, down by 36% over 2021. Meanwhile, property market fluctuations deteriorated the payable settlement capability of many real estate developers, which as a result placed our M&E Services' cash flows and capital fundings under difficulties.

The air-conditioner business achieved higher sale volume and market share with a total sale volume of 31,771 units, up by 27.5% over the past year. They also actively adopted diverse business solutions in inventory and receivables management in an endeavor of improving their working capital and cash flow."

No new government policies for rooftop solar have been released, which blocked new project development and limited revenue sources generated from EPC services for rooftop solar projects.



## Office Leasing

(\*) Revenue excludes electricity charges collected from tenants

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Average occupancy level (%)	98.5%	<b>97.5%</b>	-1.1%
Revenue (*)	895	<b>996</b>	11.3%
Profit after tax	461	<b>516</b>	11.8%



The Office Leasing business generated a revenue of VND 996 billion, and a profit after tax of VND 516 billion in 2022, equivalent to an increase of 11.3% and 11.8% respectively year on year. There was continuing good performance from this business thanks to a limited supply of new office space coming to the market during the year, which enabled existing office buildings to maintain high occupancy levels and stable rents. The revenue and profit growth in 2022 were also thanks to the lower financial base in 2021 which was embedded with rent and service fee discounts offered as pandemic support to our tenants.

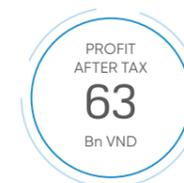
However, the office property market is also facing certain challenges as companies cut down their headcounts and office leasing budgets, including reducing leased areas and shifting office locations to lower-grade buildings or suburban areas in the context of economic downturn. The average occupancy level of our office buildings as a result reached 97.5%, a slight decrease of 1.1% compared with last year.



## Real Estate Development

Unit: VND billion, unless otherwise stated

	2021	2022	% change
Profit after tax	169	<b>63</b>	-62.5%



In late 2022, Vietnam's real estate sector experienced an array of shocks that stalled its market growth, varying from a challenging macroeconomic environment including a credit crunch and rising interest rates to more industry-specific events comprising corporate bond crisis and arrests of leaders of several major real estate developers. This adversely impacts market sentiment and poses various challenges for property developers.

During the year, REE Land and SaigonRes executed land compensation for 5.42 ha of land area (or c.69% of the project's total land area) at Phu Hoi Residential Property Project. The company successfully won a bidding auction of a residential property project in Bo Xuyen Ward, Thai Binh Province.

Bo Xuyen Residential Property Project will be developed on a total land area of over 1.9 ha with multiple housing products ranging from townhouses, shophouses, villas and high-rise apartments. REE Land hold a 75% interest in this project.

Profit after tax of the real estate development segment in 2022 recorded VND 63 billion, equivalent to a decrease of 62.5% compared with last year due to the year 2021 recognized one-off earnings of REE Land's divestment from Vietnam Infrastructure Investment & Development JSC (VIID).

## Water & Environment

Unit: VND billion



	2021	2022	% change
Total commercial volume of water treatment plants	418	<b>423</b>	1.2%
Total commercial volume of water distribution plants	258	<b>267</b>	3.6%
Revenue	92	<b>154</b>	67.4%
Profit after tax	274	<b>339</b>	24.0%



Our Water & Waste Management businesses achieved outstanding business performance in 2022 thanks to stronger clean water demand as our economy reopened and recovered after COVID-19, as well as the recovery of tourism and infrastructure service fields. Clean water market demand for household and industrial use grew 5% on average relative to last year.

Total commercial volume of water distribution plants was 267 million cbm, up by 3.4% over 2021 (258 million cbm). Total commercial volume of

water treatment plants was 423 million cbm, up by 1.3% over 2021 (418 million cbm).

In terms of prices, average retail prices of Water Distribution Plants in Ho Chi Minh City were upward adjusted according to The Decision No.25/2019/QĐ-UBILLIOND dated 24 Oct 2019, The Decision No.728/QĐ-TCT-KDVKH dated 5 Nov 2019, and relevant governing regulations. Selling prices of Treatment Plants also increased in alignment with the contracted agreement. Therefore, turnover and profitability of water plants in our portfolio all recorded positive business growth this year.

TK Plus Co. Ltd. finalized, ran testing and handed over certain outstanding projects this year including Thai Nguyen Water Plant, Hoa Khanh Tay Water Plant, emergency sludge treatment system at B.O.O Thu Duc Water Plant and clarifier system at Thu Duc Water Plant.

In June 2022, REE Water Co. Ltd. became a member of Vietnam Water Supply and Sewerage Association (VWSA).

### Water Treatment

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 – Tháp 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)

Unit: VND billion

	2022	2021	% change
Revenue	92	154	67.4%
Profit after tax	274	339	24.0%

### 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 distribution

#### 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 2022, its commercial water distribution volume was 102 million cbm and its non-revenue water rate was 14.3%.

#### Nha Be Water Supply JSC (HNX: NBW)

- NBW supplies clean water in District 4, District 7 and Nha Be District (HCMC).
- In 2022, its commercial water distribution volume was 71 million cbm and its non-revenue water rate was 12.7%.

#### 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 2022, its commercial water distribution volume was 52 million cbm and its non-revenue water rate was 12.5%.

### 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 2022, Tan Hiep II Water Treatment Plant supplied 265,400 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).

**Group financial results**

(+61.3% relative to 2021,  
reached 101.4% of 2022 target)



(+45.2% relative to 2021,  
reached 130.6% of 2022 target)

Unit: VND billion

**Revenue by  
segment**

	2021	2022	% change	% Actual/Plan
Energy	2,963	5,365	81.1%	129.7%
M&E Services	1,816	2,816	55.0%	71.7%
Real estate	938	1,037	10.5%	101.1%
Clean water & Environmental services	92	154	-67.4%	100.3%
<b>Total</b>	<b>5,810</b>	<b>9,372</b>	<b>61.3%</b>	<b>101.4%</b>

(\*) Including net financial income

Unit: VND billion

**Net Profit After  
Tax by Segment**

	2021	2022	% change	% Actual/Plan
Energy	872	1,666	91.0%	162.7%
M&E Services	89	133	35.7%	62.0%
Real estate	630	579	-8.1%	105.2%
Clean water & Environmental services	274	339	24.0%	110.6%
Other (*)	-19	-25	n/a	n/a
<b>Total</b>	<b>1,855</b>	<b>2,693</b>	<b>45.2%</b>	<b>130.6%</b>

Unit: VND billion

**Financial  
Performance**

	2021	2022	% change
Net revenue	5,810	9,372	61.3%
Cost of sales	3,500	5,042	44.1%
Gross profit	2,310	4,330	87.4%
Operating profit	2,387	3,986	67.0%
Other profit	13	-107	n/a
Profit before tax	2,400	3,879	61.6%
Consolidated profit after tax	2,135	3,515	64.6%
Profit after tax of parent company	1,855	2,693	45.1%
Earnings Per Share (VND/share)	6,003	7,576	26.2%

**Financial  
Highlights**

Unit: VND billion

	2021	2022	% change
<b>TOTAL ASSETS</b>	<b>31,827</b>	<b>33,915</b>	<b>6.6%</b>
<b>Current assets</b>	<b>6,806</b>	<b>8,573</b>	<b>26.0%</b>
• Cash and cash equivalents	1,831	1,151	-37.1%
• Short-term investments	914	1,749	91.5%
• Account receivables	2,987	4,013	34.4%
• Inventories	800	1,409	76.1%
• Other current assets	275	251	-8.8%
<b>Non-current assets</b>	<b>25,021</b>	<b>25,341</b>	<b>1.3%</b>
• Long-term receivables	37	33	-10.1%
• Fixed assets	16,058	15,842	-1.3%
• Investment properties	1,570	1,457	-7.2%
• Long-term assets in progress	406	549	35.3%
• Long-term investments	6,261	6,491	3.7%
• Other long-term assets	688	969	40.8%
<b>TOTAL LIABILITIES</b>	<b>15,469</b>	<b>14,711</b>	<b>-4.9%</b>
<b>Current liabilities</b>	<b>4,062</b>	<b>4,086</b>	<b>0.6%</b>
• Short-term loans	1,234	1,455	17.9%
• Other short-term liabilities	2,828	2,631	-7.0%
<b>Non-current liabilities</b>	<b>11,407</b>	<b>10,625</b>	<b>-6.9%</b>
• Long-term loans	10,740	9,946	-7.4%
• Other long-term liabilities	667	679	1.8%
<b>Total owners' equity</b>	<b>16,358</b>	<b>19,204</b>	<b>17.4%</b>
• Owners' equity	13,302	15,506	16.6%
• Non-controlling interests	3,056	3,697	21.0%
<b>Book Value Per Share (VND/share)</b>	<b>43,041</b>	<b>43,630</b>	<b>1.4%</b>

**Financial Ratio**

	2021	2022
<b>Liquidity</b>		
• Current	1.7	2.1
• Quick	1.4	1.7
<b>Leverage</b>		
• Debt/Total assets	48.6%	43.4%
• Debt/Equity	94.6%	76.6%
• Equity/Total assets	51.4%	56.6%
<b>Operating efficiency</b>		
• Inventories turnover	4.4	4.6
• Receivables turnover	1.9	2.7
• Working capital turnover	2.2	2.6
• Assets turnover	0.2	0.3
<b>Profitability</b>		
• Return on net sales (ROS)	36.8%	37.5%
• Return on assets (ROA)	8.2%	10.7%
• Return on equity (ROE)	15.0%	18.7%

# Energy Sector Strategic Development

The strategic outlook for Vietnam's energy market in 2023 and beyond is positive thanks to (i) growing power demand that is forecasted to grow 7 - 8% over last year and (ii) the government's continuing commitment to reducing greenhouse gas emissions by 2050 in response to the global call of 27th United Nations Climate Change Conference (COP27). The government has set a target of increasing the country's renewable energy capacity to c.48 GW by 2030, which is expected to constantly drive significant investment in the sector. Energy security is now at the forefront of business agendas and needs to be able to withstand system shocks.

However, there are also certain setbacks to sector growth, including:

- Reduced electricity consumption in power-intensive manufacturing plants which have been running under capacity amidst global economic downturn, stagnant real estate and construction market as well as reduced consumer purchasing power; and
- Pending Power Development Plan VIII ("PDP VIII") and relevant policies governing electricity tariff mechanisms for transitory and future renewable energy projects, including Direct Power Purchase Agreement and auction mechanisms; and

- Compounding effects of multiple shocks from global geopolitical events and natural disasters posing a threat to global fuel prices; and

- The devaluation of Vietnamese Dong and rising interest rates which placed many power plants under stress, especially those heavily indebted with foreign currency-denominated loans.

Hydrologic conditions in 2023 are forecasted to be less favorable due to ENSO phases shifting from La Nina to El Nino and therefore total power output of hydropower business could be reduced.

Renewable energy will continue to be the most important sector of Vietnam's power market driving the nation toward net zero carbon commitment by 2050, with the contribution up to 28% and 54% of total nationwide power capacity by 2030 and 2045 respectively. The sector holds a promising future in the long run, with an immense backing of increasing ESG capital flows. Nonetheless, in the short term, the sector faces uncertainties with the pending PDP VIII, energy legislation and governance reforms together with risks related to project equipment supplies.

The latest drafts of PDP VIII highlight priorities on wind power development while limiting

new development of solar farms until 2030. In the most recent draft, wind power is expected to contribute up to 18% of national power capacity in 2030, a 5% increase compared with the draft PDP VIII in March 2022, and later up to 30% by 2045. Onshore wind power will be expanded on a fast track in the coming decade, with planned installed capacity growing from current level of c.4,700 MW to 21,480 MW in 2030 and to 66,050 MW in 2050. Apart from 7,000 MW planned in 2022 - 2030, offshore wind power will expand substantially after 2030.

The issuance of the Decision No 21/QĐ-BCT effective from 7 Jan 2023 stipulating the new electricity tariff scheme for transitory solar and wind projects is a positive signal for the market. Nevertheless, the new proposed tariffs are much lower than the expectations of many developers and investors, which will create tremendous challenges to renewable power plants in achieving desired project returns and thereby is more likely to place new project development in setbacks.

The Government expects incoming renewable energy projects to benefit from the decreasing trend in LCOE thanks to technology improvement and economies of scale. Nonetheless, as far as we are concerned, the national renewable energy

market in the short term is challenged with project equipment supply-related risks as overseas manufacturers remain as dominant suppliers. European suppliers account for over 20% of total wind equipment market supply whereas Chinese suppliers command more than 80% market share of solar panels in Vietnam. Unexpected fluctuations in their homebase countries, together with geopolitical risks and other adverse shocks in global markets could hit the domestic energy market to a large extent.

The Decision No 238/QĐ-DTDL dated 30/12/2022 stipulating the mobilization plan of the electricity market for the year 2023 specified:

- The ceiling SMP price is 1,778.6 VND/kWh, increasing by 176 VND/kWh over 2022.
- The average CAN price is 293 VND/kWh, decreasing by 57 VND/kWh over 2022.
- The 2023 FMP price is thereby 118.7 VND/kWh higher than the 2022 counterpart, reaching c.2,071 VND/kWh.

As a result, the electricity price is forecasted to increase by 7 - 10% to about 1,650 - 1,800 VND/kWh. This is a positive signal for power plants in 2023.



## 2023 Business Plan

	<b>Net Revenue</b> (+17% relative to 2022)	<b>Net Profit after tax</b> (+0.3% relative to 2022)
	<b>10,962</b>	<b>2,700<sup>(*)</sup></b>
<b>Energy</b>	<b>5,198</b> (-3.1% relative to 2022)	<b>1,351</b> (-18.9% relative to 2022)
<b>M&amp;E Services</b>	<b>3,383</b> (+20.1% relative to 2022)	<b>160</b> (+20.2% relative to 2022)
<b>Properties</b>	<b>2,230</b> (+115.1% relative to 2022)	<b>930</b> (+60.7% relative to 2022)
<b>Water &amp; Environment</b>	<b>151</b> (-1.8% relative to 2022)	<b>335</b> (-1.1% relative to 2022)

Unit: VND billion

(\*) Including net other income unallocated by business segments (76 billion VND)

### Energy

Unit: VND billion

	<b>2022</b>	<b>2023</b>	<b>% thay đổi</b>
Revenue	5,365	5,198	-3.1%
Profit after tax	1,666	1,351	-18.9%



In the context of the macroeconomic and geopolitical difficulties being expected to persist, the hydrologic conditions becoming more unfavorable and the alpha ratio revised to 95% - 100% as aforementioned, with an asset portfolio in which hydropower plants account for more than 50% of total gross installed capacity, we therefore propose a conservative business plan for the energy business in 2023.

Uncertainties in the macro environment and financial markets will affect interest rates, which means our heavily indebted member companies such as VSH and TBWP will encounter certain difficulties in managing their financial strength.

In 2023, REE Energy will continue to focus on scaling up the asset portfolio by 100 MW, mainly renewable energy projects in alignment with the strategic direction of PDP VIII. We will be more active in M&A opportunities, while being prepared for greenfield project development opportunities once PDP VIII is officially released. With existing projects, we will continue exploring capacity expansion works, implement efficiency improvement and technical upgrade projects to increase capacity factors and improve business performance.

Meanwhile, REE Energy will constantly keep abreast of new market development and research new technical trends such as hydrogen and battery storage in order to find new project development opportunities and enhance power generation capacity of renewable energy projects. We will also endeavour to improve operational efficiency, optimize costs as well as enhance negotiation and financial arrangement capability to carry out the existing and future projects.

## M&E Services

Unit: VND billion

	2022	2023	% change
Revenue	2,816	3,383	20.1%
Profit after tax	133	160	20.2%



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.

In such context, our M&E services this year will continue to protect our market share, develop a strong customer network as well as thoroughly conduct background check and evaluate the financial health, legal profile and business plan of the developers at all prospective projects to ensure our bidding participation in the projects solely satisfying our business criteria.

In 2023, public spending, new manufacturing plants and hospitality are key target segments of M&E Services, thanks to (i) the Government's policies promoting public infrastructure investment, (ii) the production expansion of FDI enterprises in Vietnam and (iii) the recovery of the hospitality sector.

## Office Leasing

Unit: VND billion

	2022	2023	% change
Revenue	1,037	1,085	4.7%
Profit after tax	516	525	1.8%



In 2023, our office buildings target to reach an occupancy rate of 98.5%, as well as constantly uplift the quality of common facilities and supporting services to satisfy the tenants' requirements and expectation, in the context of the HCMC office market being expected to be more active with new developments, especially

in the eastern and central areas next year. It is currently forecasted that an additional 84,000 sqm of new office supply in District 2 (Thu Duc City) will come to the market in 2023.

In 4Q2023, the e.town 6 building will be launched with a total leasable area of 36,798 m2 and rent available from USD 29 per sqm. The occupancy rate is expected to be 30% in the first operational quarter. In 2023, green office space will emerge as the top of choice of many enterprises who now integrate ESG trends as an indispensable criterion in their office consideration. Our LEED Platinum e.town 6 building will therefore be an ideal choice for the businesses that prioritize featuring sustainability factors in their corporate branding. We expect this building will soon reach its target occupancy rate in the following year.

## Real Estate Development

Unit: VND billion

	2022	2023	% change
Revenue	-	1,144	-
Profit after tax	63	405	538.9%



In 2023, REE Land will complete land compensation and obtain construction

permits for Phu Hoi Residential Property Project. With regard to the Bo Xuyen Residential Property Project, REE Land is committed to selling 100% low-rise housing products during the year.

In addition, REE Land will further expand its land bank for new project development via public auctions or new acquisition opportunities, focusing on the projects featured with secure legal records and strategic locations.

## Water & Environmental Services

Unit: VND billion

	2022	2023	% change
Revenue	154	151	-1.8%
Profit after tax	339	335	-1.1%



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

In 2023, the clean water business will continue to demonstrate stable performance and is expected to align with market developments. In detail, commercial volume will slightly increase 2% - 3% and the selling prices will grow 3% compared to last year. REE Water will concentrate on M&A opportunities to acquire

private water treatment and distribution plants in an attempt to scale up its asset portfolio. We will also closely follow up the investment progress of Phase 2 at Song Da Water Investment JSC for capacity expansion and commercial volume increase, fasten construction finalization to swiftly negotiate and revise selling prices.

For the wastewater and waste-to-energy businesses, REE Water will continue to monitor new policies on calling for investment in wastewater treatment plants in Ho Chi Minh City while closely follow the opportunities of 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 to apply to environmental projects in the future.

# Corporate Governance

## Corporate Governance Overview

The Group's corporate governance relies on a combination of General Meeting of Shareholders, Board of Directors, Group Management and the risk control procedures put in place within the context of the relevant laws and regulations applicable to the Group.

### General Meeting of Shareholders

General Meeting of Shareholders is the highest authority of the Group comprising of 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 development strategy 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 financial reports.

Extraordinary Meetings of Shareholders may be held at the request of the Board of Directors in accordance with the provisions of laws and the Company's Charter.

### Board of Directors

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

Member	Title
Ms. Nguyen Thi Mai Thanh	Chairwoman
Mr. Alain Xavier Cany	Non-executive Vice Chairman
Mr. Stephen Patrick Gore	Non-executive Director
Mr. Nguyen Ngoc Thai Binh	Director and Deputy CEO
Mr. Huynh Thanh Hai	Director and CEO
Mr. Do Le Hung	Independent Director
Mr. Mark Andrew Hutchinson	Independent Director

The Board is concerned with the Group's strategic direction, business objectives, dividend policy and other important corporate matters. The Board holds quarterly meetings to review the Group's performance and decides on matters that require the approval of the Board. Extraordinary board meetings are held when required.

The Board receives prompt, accurate and updated information before the meetings. The information is prepared by the management of Group businesses together with the information of the parent company and gathered by the Board's secretarial function. The Group Management is responsible for the implementation of the Board's resolutions after the resolutions are passed.

### Group Management

REE Corporation is a group of companies including the parent company and group's businesses. The Group Management at REE Corporation is responsible for the management of the parent company's business and the steering and oversight of the operations of Group businesses. Responsibilities are clearly defined within the Group Management. The Group Management is comprised of the General Director, two (02) Deputy General Directors, and other Directors. The Group Management meets monthly with the management of each Group business for performance review and deliberation of important matters of the business. Members of the Group's Internal Audit Committee and Accounting Function will also attend these monthly meetings to review the relevant matters.

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

### Audit Committee

The Audit Committee reports directly to the Board of Directors and is comprised of two (02) members. The Audit Committee is responsible for the supervision of the internal control systems and compliance with relevant laws and regulations at the parent company and Group businesses with the purpose of identifying irregularities, weaknesses and any possible frauds in the management and safeguarding of the assets of the Group. The Audit Committee generates specialized, operational or quarterly audit reports and proposes plans for remedial actions and improvements at the quarterly meetings of the Board of Directors.

Member	Title
Mr. Do Le Hung	Head
Mr. Stephan Patrick Gore	Member

## Board of Directors

### Board Composition

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

Member	Title	Ownership of voting right*
Ms. Nguyen Thi Mai Thanh	Chairwoman	12.20% Ownership: 43,368,713 shares
Mr. Alain Xavier Cany	Non-executive Vice Chairman	33.64% Ownership: Nil Representative of Platinum Victory Pte. Ltd.: 119,557,466 shares
Mr. Stephen Patrick Gore	Non-executive Director	0% Ownership: Nil
Mr. Nguyen Ngoc Thai Binh	Director	1.96% Ownership: 6,965,595 shares
Mr. Huynh Thanh Hai	Director	0.03% Ownership: 113,230
Mr. Do Le Hung	Independent Director	0% Ownership: Nil
Mr. Mark Andrew Hutchinson	Independent Director	0% Ownership: Nil

(\*) Number of shares owned as at 31 December 2022  
Brief Profiles of the Board of Directors including their other current positions are presented in page 192 of this Annual Report.

### Board Committees

There are three Board Committees:

Committee	Head
Development Strategy Committee	Ms. Nguyen Thi Mai Thanh
Remuneration Committee	Mr. Alain Xavier Cany
Audit Committee	Mr. Do Le Hung

### Activities of Board of Directors

#### Board of Directors Meetings

The Board of Directors holds quarterly meetings to review the Group's performance, strategic direction, business objectives, dividend policy and other important corporate matters. Extraordinary board meetings are held when required.

The Board has held four (04) meetings in 2022. 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
Ms. Nguyen Thi Mai Thanh	Chairwoman	4/4	100%
Mr. Alain Xavier Cany	Vice Chairman	4/4	100%
Mr. Stephen Patrick Gore	Director	4/4	100%
Mr. Nguyen Ngoc Thai Binh	Director	4/4	100%
Mr. Huynh Thanh Hai	Director	4/4	100%
Mr. Do Le Hung	Director	4/4	100%
Mr. Mark Andrew Hutchinson (*)	Director	3/3	100%

(\*) Appointed from 31/3/2022

### Agenda of Board of Directors Meeting

Meeting	Board Attendance	Agenda
28/01/2022	7/7	Quarter 4/2021 and full-year 2021 review Markets and Group business performances update Approval of 2022 business plan
26/04/2022	7/7	Quarter 1/2022 review Markets and Group business performances update Quarter 2/2022 business plan
27/07/2022	7/7	Quarter 2/2022 and 1H2022 review Markets and Group business performances update 2H2022 business plan
27/10/2022	7/7	Quarter 3/2022 and 9-month 2022 review Markets and Group business performances update Quarter 4/2022 business plan

### List of Resolutions and Minutes of Meeting of the Board of Directors in 2022

Resolution/ Minutes of Meeting	Date of issue	Content
02/2022/QĐ-HĐQT	24/01/2022	Approval on schedule for Annual General Meeting FY2021
06/2022/BB-HĐQT	28/01/2022	Approval on Quarter 4/2021 Board meeting's matters
07/2022/QĐ-HĐQT	08/02/2022	Dismissal from the position of Construction Deputy General Director of REE Corp.
09/2022/QĐ-HĐQT	22/02/2022	Establishment of REE Digital Limited Company
11/2022//QĐ-HĐQT	24/02/2022	Establishment of REE Tra Vinh Wind Power Company Limited
14/2022/QĐ-HĐQT	04/04/2022	Announcement on cash dividend payment for FY2021
15/2022/QĐ-HĐQT	25/04/2022	Announcement on share dividend payment for FY2021

Resolution/ Minutes of Meeting	Date of issue	Content
16/2022/BB-HĐQT	26/04/2022	Approval on Quarter 1/2022 Board meeting's matters
17/2022/QĐ-HĐQT	25/05/2022	Approval on the results on issuing FY2021 shares dividend to shareholders – increasing charter capital
18/2022/QĐ-HĐQT	06/06/2022	Increasing charter capital in REE Digital Co. Ltd
25/2022/BB-HĐQT	27/07/2022	Approval on Quarter 2/2022 Board meeting's matters
27/2022/BB-HĐQT	27/10/2022	Approval on Quarter 3/2022 Board meeting's matters

### Activities of Independent Directors and Board Committees

The Board Committees operate in accordance to the responsibilities and duties defined in the Company's Charter and Regulations on Corporate Governance. The Committees prepare the working contents and attend the Board of Directors' meetings.

The Development Strategy Committee is responsible for strategy and business orientation, the Remuneration Committee is responsible for setting up remuneration policy of the Board of Directors, proposing bonus schemes for the Group's management and key staff and advising the Board in relation to Group's compensation framework and Employee Share Ownership Plan (ESOP) for Group's employees.

The Audit Committee is responsible for the ongoing assessment of the Group's financial performance and setting up of internal controls designed to ensure execution of corporate objectives in effectiveness of operations, integrity of financial reporting and compliance with applicable laws and regulations.

Those 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 certified in corporate governance

- Ms. Nguyen Thi Mai Thanh
- Mr. Alain Xavier Cany
- Mr. Stephen Patrick Gore
- Mr. Nguyen Ngoc Thai Binh
- Mr. Huynh Thanh Hai
- Mr. Do Le Hung
- Mr. Mark Andrew Hutchinson

## Audit Committee

### Committee Composition

Member	Title
Mr. Do Le Hung	Head
Mr. Stephan Patrick Gore	Member

### The Basis for Activities of the Audit Committee

The Audit Committee operates in accordance with the Operating Regulations of the Audit Committee issued by the Board of Directors pursuant to the Company's Charter and current regulations (Law on Enterprise 2020, Law on Securities 2019, Decree 155 Guiding the Law on Securities, Circular 116 Guiding the Law on Enterprise 2020 and Decree 155).

### Audit Committee's Meetings

Member	Title	Meeting Attendance	Ratio
Mr. Do Le Hung	Head	4/4	100%
Mr. Stephan Patrick Gore	Member	4/4	100%

### Supervisory Activities on Corporate Governance Matters conducted by Audit Committee

- Audit Committee supervises corporate governance matters via the meetings, deliberations and practices relating to the issuance of the Board of Directors' resolutions; supervises the compliance with the issued resolutions and supervises the delegation of powers and duties between the Board of Directors and General Director.

- Supervisory activities of the Audit Committee are conducted via the reporting and correspondence with the Board of Management, Chief Financial Officer, Chief Accountant, Head of Internal Audit, Head of Internal Control and Risk Management, Head of Legal and Independent Auditors.

- The Audit Committee ensures their bilateral productive coordination with the Members of Board of Directors, the Board of Management and relevant personnels.

- The Audit Committee periodically reports their activities to the Board of Directors.

### The Results of Supervisory Activities of Audit Committee

#### The Implementation of the Board of Directors' Resolutions

- All critical issues were openly discussed amongst the Members of the Board of Directors. The issues were thoroughly discussed and evaluated and went through a consensus decision making process before any Resolutions were issued.

- The Board of Management constantly adheres to and implements the issued Resolutions of the Board of Directors.

**The Implementation of  
the Audit Committee's  
Recommendations**

- The supervisory reports of the Audit Committee were reviewed by the Board of Directors. Approved recommendations were transferred to the Board of Management and relevant departments for the implementation.

**Financial Reporting  
and Accounting  
System**

- Audit Committee approved 2022 Audited Financial Statements of the Group. 2022 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 items and business results. Accounting policies and principles underlying accounting provisions were consistently applied and had no significant changes.

- Transactions with related parties were strictly controlled and complied with prevailing regulations, the Company's Charter and the Company's regulations relating to controlling the transactions with related parties. There were no material matters discovered.

**Internal Control and  
Risk Management  
System**

- The Audit Committee assessed that Internal Control and Risk Management's activities were conducted at basic level but sharply improved relative to last year.

- Operational procedures were issued to the member companies of the Group, material risks were identified, followed up and closely managed; therefore, material risks were promptly discovered, appropriately evaluated and properly resolved.

- The Company planned and piloted risk management measures and processes in several member companies, which once successful will be deployed to the whole Group.

- In the past year, due to unforeseeable fluctuations in the global and local economic and financial markets and high market, financial and credit risks, business activities were adversely impacted. The Board of Directors and the Board of Management are largely aware of such challenges, therefore they closely oversee and promptly manage to mitigate risks that could be able to negatively affect the achievement of business goals.

**Internal Audit**

- Internal Audit plays an important role in corporate governance and has been organized following the prevailing regulations and widely accepted practices.

- The Audit Committee constantly oversee to ensure a qualified and effective activity performance of Internal Audit

- In 2022, the Internal Audit team accomplished their assignments in their approved annual workplan.

- In order to better satisfy the expectations of the Board of Directors, the Audit Committee proposed to further build up the Internal Audit team suiting the actual needs of the Company.

**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.

- The Audit Committee conducted quarterly legal risk evaluation based on the reports of the Board of Management to ensure appropriate control of identified legal risks.

**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**

Member	Title	Remuneration	
		2022	2021
<b>Board of Directors Remuneration</b>		<b>9.810.000.000</b>	<b>7.040.000.000</b>
Nguyen Thi Mai Thanh	Chairwoman	4.230.000.000	3.600.000.000
Benjamin Herrenden Birks <i>(Resigned on 30 Mar 2021)</i>	Non-executive Vice Chairman	-	180.000.000
Alain Cany	Non-executive Vice Chairman	1.740.000.000	630.000.000
Stephen Patrick Gore	Director	1.020.000.00	450.000.000
Nguyen Ngoc Thai Binh	Director	120.000.000	320.000.000
Dang Hong Tan <i>(Resigned on 31 Mar 2022)</i>	Director	120.000.000	450.000.000
Do Le Hung	Director	120.000.000	780.000.000
Huynh Thanh Hai	Director	1.560.000.000	630.000.000
Mark Hutchinson <i>(Appointed on 31 Mar 2022)</i>	Director	900.000.000	-
<b>Board of Management Salary</b>		<b>8.120.460.000</b>	<b>9.524.520.000</b>
Huynh Thanh Hai	General Director	3.600.000.000	3.600.000.000
Nguyen Ngoc Thai Binh	Deputy General Director	2.184.000.000	2.184.000.000
Pham Quoc Thang <i>(Resigned on 8 Feb 2022)</i>	Deputy General Director	2.184.000.000	2.184.000.000
Nguyen Quang Quyen	Deputy General Director	152.460.000	1.829.520.000
<b>Total Bonus</b>		<b>14.409.700.000</b>	<b>3.032.222.220</b>
<b>TOTAL</b>		<b>32.340.160.000</b>	<b>19.596.742.220</b>

**Transactions of Major Shareholders, Internal Shareholders and Related Persons in 2022**

No	Name	Relationship with internal shareholder	Number of shares at beginning of the year		Number of shares at end of the year		Reason for increasing/decreasing
			Number of shares	%	Number of shares	%	
1	Platinum Victory Pte. Ltd	Related parties to Mr. Stephen Patrick Gore – Member of the Board of Directors	95,944,028	31.04%	119,557,466	33.64%	Ownership increase

**Contracts or Transactions with Internal Shareholders**

In 2022, 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 always 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 2022, REE has 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](http://www.reecorp.com).

**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.

# 04

## Sustainability report

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## Sustainability message from our Chairwoman

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**Economic prosperity,  
environmental sustainability  
and social civilization are  
the long-term development  
strategies that the Group  
affirms and implements.**

### Dear Shareholders, Investors, Partners and Employees

As a diversified Group, REE is always aware of sustainable development for how to balance between Economic Business Development – Social Development Contribution – Environmental Protection.

Experiencing nearly 50 years of establishment and development, we understand that a business cannot survive by focusing only on short-term goals while ignoring the long-term impacts on the environment and surrounding communities. We believe that the more aware of sustainable development the company is, the more progressive changes it creates for the society in the present and future generations. We always prioritize investment, construction, operation, management of projects and activities that bring business benefits in line with social benefits, including being healthy, comfortable and happier. We have been driving our growth to be aligned with objectives to bring stronger lives, develop strong and prosperous communities; Resource management for generations to come.

2022 is the year Vietnam recovers and regains

its socio-economic growth momentum as before the Covid-19 pandemic in 2020-2021. REE Group has focused on consolidating existing business segments, one side is continuing to develop the field of renewable energy including hydroelectricity, wind power..., the other is rational use of energy including the consultancy and supply and installation of M&E systems where the criteria of efficient, green and clean energy use are the top priority. The office buildings developed by the Group all set this criterion from design, equipment selection, installation and monitoring during operation. The two latest buildings put into operation are Gold and LEED Platinum standard, including e.town Central and e.town 5 office buildings.

Entering 2023, the Electricity, Water and Environment segments will focus on developing new capacity - a decisive criterion for sustainable development. Green energy and waste treatment projects continue to be the main business investment areas.

For the Real Estate sector - Etown 6 office building with LEED Platinum standard (of the US Green Building Council) will be completed in the fourth quarter of 2023 and put into operation for lease.

The M & E sector will pay more attention to provide management consulting services on how to save energy, water, and to reduce emissions effectively through M&E projects.

The following sustainability report is prepared annually and is provided in accordance with the G4 sustainability reporting guidelines of the Global Reporting Initiative (GRI).

Economic prosperity, environmental sustainability and social civilization are the long-term development strategies that the Group affirms and implements.

Trân trọng,



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 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. This is 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 professional workplace environment, enhancing employee benefits, promoting talent identification and development programs in an attempt of unleashing potentials and optimizing capability of our employees.

## 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 feedbacks 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
 <b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Create the highest values for our shareholders</li> <li>• Assure equitable treatment among shareholders</li> <li>• Commit to transparency in the appropriate disclosures of the Company's operations</li> <li>• Actively engage in promoting dialogues with investors</li> </ul>	Investors' direct meetings	
		General meeting of shareholders	Annual
		Local and international investors' conferences	Semi annual
		Websites	
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Provide our customers with products of high quality, reliability and durability</li> <li>• Improve quality of customer and after-sales services</li> <li>• Listen to customers' demands and strengthen our technical expertise to serve them in the best way possible</li> </ul>	Direct meetings	Frequent
		Customer service center, technical consulting, warranty and maintenance	
		Exhibitions, fairs, conferences	
		Website	
 <b>Business Partners</b>	<ul style="list-style-type: none"> <li>• Maintain and develop long-lasting relationships</li> <li>• Respect mutual benefits between business partners</li> <li>• Develop together and create quality products for society</li> </ul>	Direct meetings	Frequent
		Exhibitions, fairs, conferences	
		Website	
 <b>Government Authorities</b>	<ul style="list-style-type: none"> <li>• Fulfill statutory obligations to the Government</li> <li>• Compliance with laws and regulations</li> <li>• Transparent information disclosure in a timely manner</li> </ul>	Participate in conferences held by the Government and relevant authorities	Frequent
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Recognize the contribution of employees</li> <li>• Create favorable working environments and ensure benefits for employees</li> <li>• Develop human resources through programs to identify and foster talents</li> </ul>	Workshops, training programs	Frequent
		Team building, sports, music events...	Annual
		Employees' satisfaction survey	Annual
 <b>Community &amp; Society</b>	<ul style="list-style-type: none"> <li>• Develop human resources through programs to identify and foster talents</li> <li>• Carry out corporate social responsibility activities in enhancing the skills and know-how of the young workforce</li> <li>• Having the passion and sharing material gains with the community and society</li> </ul>	Organize charitable activities, supporting the community	Frequent
		Participate in fundraising events for the community, environmental protection	Frequent
		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.

### Talent Acquisition

Our talent acquisition blueprint focuses on building a competent and flexible workforce in swift response to the now more demanding and fast changing business environment in Vietnam, especially in the context of recent economic challenges leading to rising competition in recruiting, attracting and retaining qualified talents.

Building up the next generation is a coherent part in the strategic human resource plan of our Group to prepare ourselves in the journey of conquering new heights. "REE.S – Next Gen in Mission" – the young talent searching, scouting and sharpening program was officially launched and implemented for the first time in 2022. We reached out to a wide range of prestigious universities in a search for bright young stars. After many recruitment rounds with exciting challenges, 13 REE.S talents were on board and specific training roadmaps were devised for each young talent. REE.S members took part in essential training workshops and contributed such acquired knowledge and understanding in daily work practices in tandem. Their growth progress was periodically reviewed, evaluated and mentored for their constant improvement and development.



### Talent Development

This year, we introduced Leadership Competency Manuals demonstrating essential three-level leadership guidance: Self-lead, Team Lead and Organization Lead. Together with the previously issued Performance Management process, they are the effective measures to filter qualified candidates, evaluate the capability and performance of group-wide existing employees as well as devise practical training and development programs.

### Leadership Competency Manuals

### "Shape up Business" Project

Shape up Business Project was a multi-faceted business health check which was implemented at three of our member companies including REE M&E, Reetech and REE SE in 2022. Throughout the workshops of the project, four pillars of their businesses were thoroughly reviewed for revamp, including: Customer – Finance – Process – Talent. The whole team together brainstormed their (i) revised business strategy planning, (ii) operational process improvement plan, (iii) revised business development strategy, (iv) enhanced business performance and (v) more effective human resource

management. A series of training courses were carried out during the project with the purpose of equipping their employees with relevant knowledge and skills including project management, problem-solving and business development skills.

**Training and development activities**

- Leader Mindset Training Program was organized for over 100 employees at middle-management level and above with the key objective of enhancing their productivity and leadership competency.
- Diverse training courses were organized such as data analysis and visualization, linguistics, financial and occupational safety courses with training agenda customized for each business field.

In 2022, we in general organized 44 training courses including (i) 31 courses facilitated by prestigious trainers and (ii) 13 internal courses. In parallel, we appointed our employees to participate in 31 training courses outside. There were a total of 2,924 employees engaging in these courses.



Level	Number of employees	Training Hours
By level		
• Management Level	767	7,613
• Non-management Level	2,157	16,160
By gender		
• Female	512	4,416
• Male	2,462	19,355
<b>Total</b>	<b>2,924</b>	<b>23,771</b>

**Human Resource Management System**

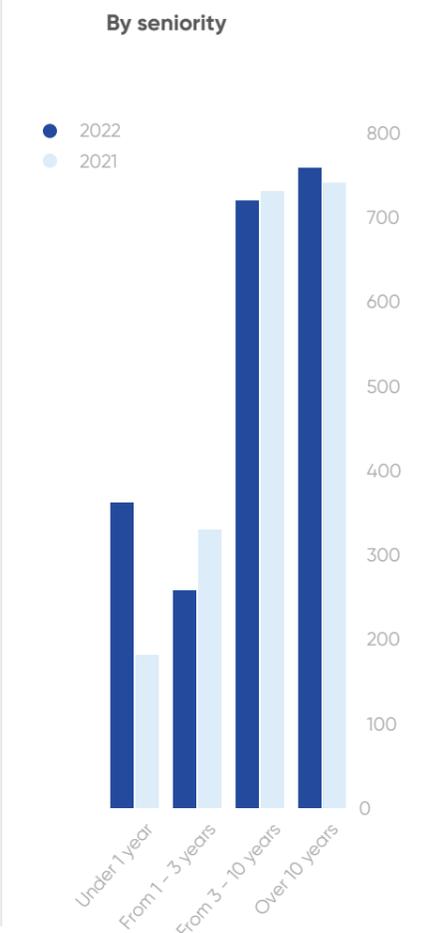
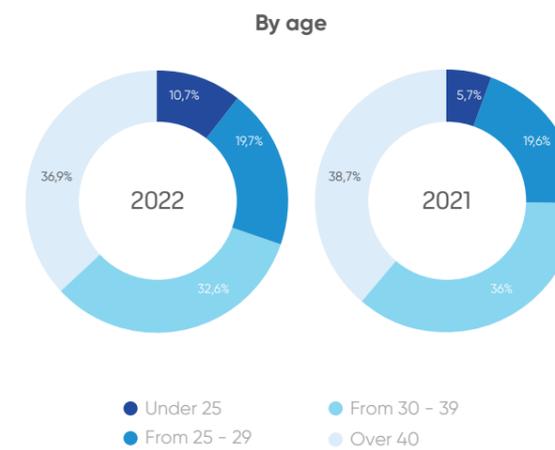
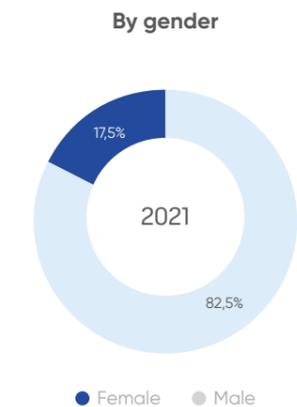
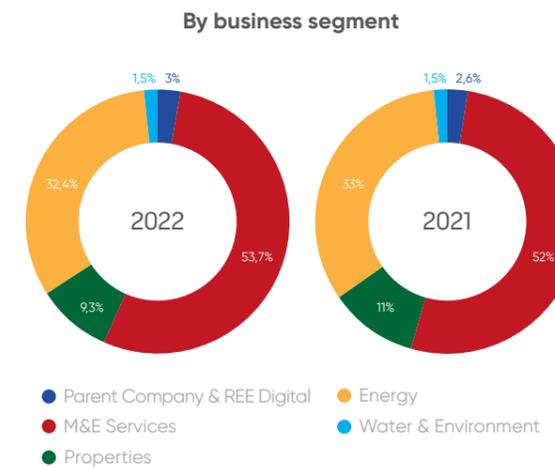
The adoption of technology is at the forefront of our business efficiency optimization plan. A comprehensive Human Resource Management System is being developed and expected to go live in 3Q2023, as a coherent part of our group-wide digitization scheme.

**Town Hall Meeting**

Our Townhall Meetings have been periodically organized since 2021 as an open communication channel amongst the Board of Management and group-wide employees. The meetings facilitated the discussions related to past year's business results, forward business strategy and directly addressed the inquiries of the employees. The meetings were organized in an endeavor of engineering a professional working environment, encouraging open corporate culture towards Efficiency – Transparency – Happiness as well as collecting feedback from our employees for business improvement.

**Talent Pool Briefing**

Total headcounts of REE Group as of 31 December 2022 was 2,122 – up by 7% compared with total workforce of 1,982 employees in 2021 thanks to new recruitment in our existing M&E Services business, our newly established firm REE Digital and newly acquired Nam Ban 2 Hydropower Plant.



## Corporate Social Responsibility

The most challenging and hazardous period of the COVID-19 pandemic left behind burdensome consequences, especially for the disadvantaged people. Our Corporate Social Responsibility ("CSR") activities this year thereby gave precedence to support them. Our CSR activities spent VND 4.5 billion in a large number of social activities including post-epidemic supports, scholarship programs and support for national Green Growth strategy.

During the year, we engaged as a key sponsor for two programs:



### Scar of Life 10

The program with immense endeavors of bringing healthy hearts to children suffering from congenital heart disease .



### National Annual Empowerment Meeting 2022

A part of "Brighter Path Program - Phase 2" scholarship program for the most academically talented ethnic minority female scholars.

### REE joined The Green Economic Forum And Exhibition – GEFE 2022



At the end of 2022, REE Group was honored to participate in the biggest "Green Economy Forum and Exhibition - GEFE 2022" of the year organized by the European Chamber of Commerce (EuroCham) in collaboration with

the Vietnam Trade Promotion Agency, which is under the Ministry of Industry and Trade. The event was held in District 2, Ho Chi Minh City.

GEFE 2022 is organized to promote and support Vietnam to achieve its commitments at the 26th United Nations Framework Conference on Climate Change (COP26) and socio-economic development goals outlined in the National Green Growth Strategy for 2021-2030. This is the foundation for strengthening the cooperation between European and Vietnamese enterprise communities, promoting Vietnam's economy to develop in a green and sustainable direction through initiatives, expertise sharing and technology transfer.

### Invested In Renewable Energy And Green Building In Vietnam



At the Green Economy Forum and Exhibition, REE Group participates in many roles, both as an exhibitor and as a sponsor of the event. REE has been contributing to the goal of developing green economy through developing renewable energy ecosystem strategy, green building projects updated with the latest technologies and advanced solutions to accelerate the sustainable green energy transition. In particular, at the exhibition, REE launched e.town 6 office project – Green Building invested by REE

Corporation and will be sought LEED Platinum certification – the highest globally recognized standards of green building, sustainability and environmental friendliness

REE Group has always been seriously committed to carrying out Environmental – Society – Governance (ESG)-centered business activities and stay responsive to global call for tackling greenhouse gas emissions and sustainable development. Stretching across Vietnam are renewable energy and clean water projects that REE owns and manages, which have now reached more than 697 MW and produce 1.8 million cbm of clean water per day. In the future, REE will continue to focus on developing green building projects such as e.town 6 and renewable energy ecosystem to accompany the Government to accelerate the green transition of Vietnam's economy.



## Total Rewards and Employee Engagement Policies

We continued to maintain and upgrade the quality of annual health checkup package, health insurance and annual accident insurance benefits for all employees.



We continued to promote daily Gym, Yoga, and Zumba classes and organized health talks with diverse topics such as "Post-COVID Healthcare", "Mindfulness – Positive Thinking" and "Let's Fight Cancer" to encourage our employees to take great care of their physical and mental healthcare.

Annual outing trips and special holiday events were organized for our employees to maintain a dynamic working environment and celebrate the exciting atmosphere of the coming holidays.

Year-end Party 2022: The party themed "Spring Voyage" was organized and inspired by European spirits. The event was the chance for the REE Family together to look back at our

achievements, share happy moments and look forward to the new year. The party organized unique musical performance bringing immense joy and happiness to all employees and guests.



## Environment

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:

- Refrigeration Electrical Engineering (REE) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- REE Energy Company Limited (REE Energy) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- REE Water Company Limited (REE Water) – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
- R.E.E Mechanical & Electrical Engineering JSC (REE M&E) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- R.E.E Electric Appliances JSC (Reetech) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- RMC Trade & Services Company Limited (RMC) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- REEPRO Service & Manufacturing Company Limited (REEPRO) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- R.E.E Real Estate Company Limited (REE Property) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- REE Land Company Limited – (REE Land) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- REE Solar Energy JSC (REE SE) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC
- Thac Ba Hydropower JSC (TBC) – Thac Ba Town, Yen Binh District, Yen Bai Province.
- Vinh Son – Song Hinh Hydropower JSC (VSH) – 21 Nguyen Hue Street, Quy Nhon City, Binh Dinh Province.
- Tra Vinh Electric Development JSC (DTV) – 68 Nguyen Chi Thanh Street, Block 1, Ward 9, Tra Vinh city, Tra Vinh Province.
- Muong Hum Hydropower JSC (MHP) – Thac Ba Town, Yen Binh District, Yen Bai Province
- Nam Ban 2 Hydropower JSC (NB2) – Thac Ba Town, Yen Binh District, Yen Bai Province.
- Thuan Binh Wind Power JSC (TBW) – Lac Tri village, Phu Lac commune, Tuy Phong district, Binh Thuan province.
- TK Plus Company Limited (TK Plus) – 364 Cong Hoa Street, Ward 13, Tan Binh District, HCMC

In 2022, REE had no penalties or non-monetary sanctions regarding non-compliance with environmental laws and regulations.

**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 with, 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.
  - 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 Celcius 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 airconditioning systems in the new office buildings.

**Energy**

- Accelerate our investments into renewable energy whereas scaling down our footprint in coal thermal power plants.
- 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.

**Water Consumption**

In 2022, total water consumption volume of REE Group was 159,580 cbm, an increase of 14,982 cbm or 10.4% compared to 2021. The increased consumption was associated with office leasing business, up by 23,396 cbm or 20.7% relative to last year (our office buildings were closed during three months of lockdown in 3Q2021, which led to a significant drop in water consumption needs during this period). The primary use of water consumption was for office leasing services (using up to 136,608 cbm – accounted for 85.6% of total water consumption), mainly for public facilities and cooling air-conditioning systems.

No,	Business Segment	Company	2021 (cbm)	2022 (cbm)	% change
01	M&E Services	REE M&E	9,853	13,888	-29.0
		Reetech			
		RMC			
		REEPRO			
		REE SE			
02	Properties	RSH	136,608	113,212	20.7
		REE Corp (*)			
		REE Property			
		REE Land			
03	Energy	REE Energy	13,119	17,498	25.0
		TBC			
		VSH			
		DTV			
		MHP			
		NB2			
04	Clean water & Environmental services	TK Plus (**)			
		REE Water			
<b>Total</b>			<b>144,598</b>	<b>159,580</b>	<b>10.4</b>

(\* ) REE Corp including REE Energy and REE Water

(\*\*) Water consumption volume of TK Plus is included in management fee of the building

## Energy Consumption

Total amount of power consumed by REE Group in 2022 was 16,621,362 kWh, equivalent to 59,838 GJ, increasing by 4,074 kWh or equivalent to a growth rate of 32.5% relative to 2021. The increased consumption was associated with property business, up by 3,440,254 kWh or 35,0% relative to last year (our office buildings were closed during three months of lockdown in 3Q2021, which led to a significant drop in water consumption needs during this period). The primary electricity use was for office leasing services (using up to 13,267,703 kWh – accounted for 79.8% of total power consumption), mainly for air-conditioning and public lighting systems.

Company	2021		2022	
	kWh	GJ	kWh	GJ
REE Corp (including REE Energy and REE Water)	18,352	66	45,896	165
REE M&E	58,871	212	155,809	561
Reetech	49,500	178	49,143	177
RMC	22,294	80	23,302	84
REEPRO	469,858	1,692	721,019	2,596
REE Property	9,804,274	35,296	13,211,699	47,563
REE Land	23,175	83	56,004	202
REE SE	-	-	13,991	50
TBC	974,777	3,509	993,063	3,575
VSH	273,342	984	243,557	877
DTV	24,167	87	25,317	91
MHP	159,862	576	112,300	404
NB2	314,255	1,131	325,084	1,170
TBW	351,345	1,265	640,015	2,304
TK Plus	3,586	13	5,163	19
<b>Total</b>	<b>12,547,658</b>	<b>45,172</b>	<b>16,621,362</b>	<b>59,838</b>

In 2022, total diesel consumption volume of REE Group was 234,551 litres, equivalent to 8,694 GJ, increasing by 77,385 litres or 57.4% compared with 2021. The increased consumption was associated with power generation companies which used up to 137,686 litres, up by 51,856 litres or 60,4% relative to last year. The primary diesel use was also at these companies, mainly adopted for the operation of cooling turbines of hydropower plants.

Company	2021		2022	
	Lit	GJ	Lit	GJ
REE Corp (including REE Energy and REE Water)	21,920	812	23,997	889
REE M&E	1,195	44	4,236	157
Reetech	9,712	360	22,000	815
RMC	-	-	-	-
REEPRO	7,039	261	11,682	433
REE Property	22,598	838	12,589	467
REE Land	4,282	159	2,281	85
REE SE	-	-	13,450	499
TBC	19,623	727	42,353	1,570
VSH	41,443	1,536	55,993	2,075
DTV	5,450	202	3,721	138
MHP	6,322	234	22,048	817
NB2	5,000	185	2,400	89
TBW	7,992	296	11,171	414
TK Plus	4,590	170	6,630	246
<b>Total</b>	<b>157,166</b>	<b>5,825</b>	<b>234,551</b>	<b>8,693</b>

# 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	
<b>Our Businesses</b>				
P1	Product and service offerings	Products and services	Management Report	
P2	Customer and after-sales service	<ul style="list-style-type: none"> <li>• Corporation</li> <li>• Customers</li> <li>• Business partners (domestic and international)</li> </ul>		
EN	Environmental protection			
E1	Business results	Economic	Management Report	
E2	Dividends	Performance		
E3	Stock price	<ul style="list-style-type: none"> <li>• Corporation</li> <li>• Shareholders, Investors (local and foreign)</li> <li>• Business partners (domestic and international)</li> <li>• Government authorities</li> </ul>		
E4	Financial strength			
E5	Statutory obligations			
C1	Corporate governance	Corporate governance	Management Report	
C2	Risk management	<ul style="list-style-type: none"> <li>• Group businesses</li> <li>• Shareholders, Investors (local &amp; foreign)</li> </ul>		
C3	Equitable shareholder treatment		<ul style="list-style-type: none"> <li>• Group businesses</li> <li>• Government authorities</li> <li>• Business partners (domestic &amp; international)</li> </ul>	2022 Business Plan
C4	Compliance			
C5	Anti-corruption			
C6	Market development			
R1	Transparent information disclosure	Disclosure and transparency	Corporate governance	
R2	Internal communications	<ul style="list-style-type: none"> <li>• Group businesses</li> <li>• Shareholders, Investors (local and foreign)</li> <li>• Government authorities</li> <li>• Group's Employees</li> </ul>		
<b>Our People</b>				
L1	Salary and employment benefits	Employees	1. Talent Pool Briefing 2. Talent Development	
L2	Employee health and workplace safety	Human rights		
L3	Training and development			
H1	Non-discrimination			
H2	Human rights			
H3	Equal opportunity	<b>Corporate Social Responsibility</b>		
H4	Freedom of association and collective bargaining			
S1	Corporate Social Responsibility		Community	<ul style="list-style-type: none"> <li>• Group businesses</li> <li>• Community</li> </ul>
S2	Workforce development			
<b>Our environment</b>				

## Priority Matrix



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

# GRI-G4 Disclosure and Content Index

## General Standard Disclosures

GRI Index	Description	Reference Section	Page	Reason for Omission
<b>1</b>	<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the most senior decision-maker of the SR – Sustainability Statement by the Chairwoman 56 organization	AR – Message from Our Chairwoman	168 - 169	
<b>2</b>	<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of the organization	AR – Corporate Information	238	
G4-4	Primary brands, products and services	AR – Corporate Information	238	
G4-5	Location of the organization's headquarters	AR – Corporate Information	238	
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	AR – Corporate Information	238	
G4-7	The nature of ownership and legal form	AR – Corporate Information	238	
G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	AR – Corporate Information	238	
G4-9	The scale of the organization	AR – Group Structure	185 - 188	
G4-10	The organization's workforce statistics	SR – Talent Pool Briefing	242	
G4-11	The percentage of total employees covered by collective bargaining agreements	100%		
<b>G4-12</b>	<b>Description of the organization's supply chain</b>	AR – Corporate Information AR – Management Report	238 205 - 226	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	SR – Scope of Report	238	
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	AR – Corporate Information	238	
<b>3</b>	<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
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 – Group Structure	185 - 188 238	
G4-18	Explain the process for defining the report content and the aspect boundaries	SR – Scope of Report	250 - 251	
G4-19	List all the material aspects identified in the process for defining report content	SR – Key Aspects	250 - 251	

Notes:  
 • 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	250 - 251	
G4-21	For each material aspect, report the aspect boundary outside the organization	SR – Key Aspects	250 - 251	
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
<b>4</b>	<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization	SR – Stakeholder's Engagement	240	
G4-25	The basis for identification and selection of stakeholders with whom to engage	SR – Stakeholder's Engagement	240	
G4-26	The organization's approach to stakeholder engagement	SR – Stakeholder's Engagement	240	
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	SR – Priority Matrix	251	
	Report the stakeholder groups that raised each of the key topics and concerns			
<b>5</b>	<b>REPORT PROFILE</b>			
G4-28	Reporting period	SR – Scope of Report	238	
G4-29	Date of most recent previous report	SR – Scope of Report	238	
G4-30	Reporting cycle	SR – Scope of Report	238	
G4-31	The contact point for questions regarding the report or its contents	AR – Corporate Information	184	
G4-32	The reporting option the organization has chosen	SR – Scope of Report	238	
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	SR – Report's Information Assurance	238	
<b>6</b>	<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body	AR – Corporate Governance	225	
<b>7</b>	<b>ETHICS AND INTEGRITY</b>			
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	AR – Corporate Governance	225	

## GRI-G4 Disclosure and Content Index (continued)

GRI Index	Description	Reference Section	Page	Reason for Omission
<b>1</b>	<b>Economic</b>			
<b>1.1</b>	<b>Economic performance</b>			
G4-EC1	Direct economic value generated and distributed	AR - Management Report	205 - 226	
G4-EC3	Coverage of the organization's defined benefit plan obligations	AR - Management Report	205 - 226	
1.1	Indirect economic impacts			
G4-EC7	Development and impact of infrastructure investments and services supported	AR - Management Report	205 - 226	
<b>2</b>	<b>Environmental</b>			
<b>2.1</b>	<b>Energy</b>			
G4-EN3	Energy consumption within the organization		250 - 251	
G4-EN6	Reduction of energy consumption	SR - Environment	250 - 251	
G4-EN7	Reductions in energy requirements of products and services	SR - Environment	250 - 251	
2.2	Water			
G4-EN8	Total water withdrawal by source	SR - Environment	250 - 251	
G4-EN10	Percentage and total volume of water recycled and reused	0%		
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	250 - 251	
<b>3</b>	<b>Social</b>			
<b>3.1</b>	<b>Labor practices and decent work</b>			
<b>3.1.1</b>	<b>Employment</b>			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	SR - Talent Pool Briefing	244	
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	245 - 246	
	<b>Occupational health and safety</b>			
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR - Talent Development	245 - 246	
	<b>Training and education</b>			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	SR - Talent Development	245 - 246	
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	245 - 246	

GRI Index	Description	Reference Section	Page	Reason for Omission
<b>3.1.4</b>	<b>Diversity and equal opportunity</b>			
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 - Talent Pool Briefing	242	
<b>3.2</b>	<b>Human rights</b>			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	SR - Talent Development	243 - 244	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%		
<b>3.3</b>	<b>Society</b>			
<b>3.3.1</b>	<b>Local communities</b>			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	SR - Corporate Social Responsibility	245 - 246	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	SR - Corporate Social Responsibility	245 - 246	No negative impacts
<b>3.3.2</b>	<b>Anti-corruption</b>			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	AR - Corporate Governance	225	
G4-SO4	Communication and training on anti-corruption policies and procedures	AR - Corporate Governance	225	
<b>3.3.3</b>	<b>Compliance</b>			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	AR - Corporate Governance	225	No case was found
<b>3.4</b>	<b>Product Responsibility</b>			
<b>3.4.1</b>	<b>Product and service labeling</b>			
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 - Corporate Information AR - Management Report	238 205 - 226	
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 - Corporate Information AR - Management Report	238 205 - 226	No case was found
<b>3.4.2</b>	<b>Customer privacy</b>			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			No case was found
<b>3.4.3</b>	<b>Compliance</b>			
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	225	No case was found

# 05

## Consolidated Financial statements

For the year ended 31 December 2022

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# GENERAL INFORMATION

## 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 16 June 2022.

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	
Mr Huynh Thanh Hai	Member	
Mr Nguyen Ngoc Thai Binh	Member	
Mr Stephen Patrick Gore	Member	
Mr Mark Andrew Hutchinson	Independent Member	appointed on 31 March 2022
Mr Dang Hong Tan	Independent Member	resigned on 31 March 2022
Mr Do Le Hung	Independent Member	

## 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	
Mr Stephen Patrick Gore	Member	
Mr Dang Hong Tan	Member	resigned on 31 March 2022

## 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 8 February 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 2022.

## 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 2022 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  
3 March 2023

Reference: 11605564-E-22986368/HN

# 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 3 March 2023 and set out on pages 5 to 66 which comprise the consolidated balance sheet as at 31 December 2022, 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 2022, 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.



Le Vu Truong  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1588-2023-004-1

Ho Chi Minh City, Vietnam

3 March 2023

Ly Hong My  
Auditor  
Audit Practicing Registration Certificate  
No. 4175-2022-004-1

# Consolidated balance sheet

B01-DN/HN

as at 31 December 2022

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A, CURRENT ASSETS</b>		<b>8,573,479,385,227</b>	<b>6,805,972,262,128</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,151,270,686,145</b>	<b>1,830,901,134,902</b>
111	1. Cash		457,070,686,145	259,186,839,056
112	2. Cash equivalents		694,200,000,000	1,571,714,295,846
<b>120</b>	<b>II. Short-term investments</b>	<b>16</b>	<b>1,749,361,611,727</b>	<b>913,528,242,575</b>
121	1. Held-for-trading securities		789,692,824,953	72,553,563,045
122	2. Provision for diminution in value of held-for-trading securities		(802,036,798)	(293,908,798)
123	3. Held-to-maturity investments		960,470,823,572	841,268,588,328
<b>130</b>	<b>III. Current accounts receivable</b>		<b>4,013,295,895,776</b>	<b>2,986,542,167,652</b>
131	1. Short-term trade receivables	6	2,664,128,054,611	2,034,510,985,201
132	2. Short-term advances to suppliers	7	300,018,240,913	144,814,816,021
134	3. Construction contract receivables based on agreed progress billings	6	566,100,289,760	532,836,195,253
135	4. Short-term loan receivables		94,850,000,000	21,383,880,000
136	5. Other short-term receivables	8	596,729,452,561	372,122,761,655
137	6. Provision for doubtful short-term receivables	6, 7	(208,530,142,069)	(119,126,470,478)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>1,408,572,015,872</b>	<b>799,900,814,968</b>
141	1. Inventories		1,429,139,313,627	806,472,650,348
149	2. Provision for obsolete inventories		(20,567,297,755)	(6,571,835,380)
<b>150</b>	<b>V. Other current assets</b>		<b>250,979,175,707</b>	<b>275,099,902,031</b>
151	1. Short-term prepaid expenses		15,697,826,117	9,429,562,749
152	2. Value-added tax deductible		229,082,037,252	260,573,506,690
153	3. Tax and other receivables from the State	20	6,199,312,338	5,096,832,592

**Consolidated balance sheet** (continued)

B01-DN/HN

as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>25,341,077,348,281</b>	<b>25,021,031,112,330</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>33,440,930,892</b>	<b>37,218,252,980</b>
211	1. Long-term trade receivables		-	28,576,680
215	2. Long-term loan receivables		150,000,000	-
216	3. Other long-term receivables	8	33,290,930,892	37,189,676,300
<b>220</b>	<b>II. Fixed assets</b>		<b>15,841,877,918,962</b>	<b>16,057,664,537,080</b>
221	1. Tangible fixed assets	12	15,770,540,091,127	15,991,796,379,057
222	Cost		22,224,183,689,275	21,253,746,501,962
223	Accumulated depreciation		(6,453,643,598,148)	(5,261,950,122,905)
227	2. Intangible assets	13	71,337,827,835	65,868,158,023
228	Cost		91,987,605,208	84,742,888,325
229	Accumulated amortisation		(20,649,777,373)	(18,874,730,302)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>1,456,784,566,540</b>	<b>1,570,332,277,547</b>
231	1. Cost		2,507,128,328,047	2,507,128,328,047
232	2. Accumulated depreciation		(1,050,343,761,507)	(936,796,050,500)
240	<b>IV. Long-term asset in progress</b>		<b>549,127,839,666</b>	<b>405,953,160,121</b>
242	1. Construction in progress	14	549,127,839,666	405,953,160,121
<b>250</b>	<b>V. Long-term investments</b>	<b>16</b>	<b>6,490,632,669,260</b>	<b>6,261,443,381,524</b>
252	1. Investments in associates		6,174,124,054,127	5,744,934,766,391
253	2. Investments in other entities		286,508,615,133	286,508,615,133
255	3. Held-to-maturity investments		30,000,000,000	230,000,000,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>969,213,422,961</b>	<b>688,419,503,078</b>
261	1. Long-term prepaid expenses	11	328,606,640,226	329,728,703,772
262	2. Deferred tax assets	33.3	47,747,812,720	40,983,442,290
263	3. Long-term tools, supplies and spare parts		9,509,596,563	9,578,302,877
269	4. Goodwill	17	583,349,373,452	308,129,054,139
<b>270</b>	<b>TOTAL ASSETS</b>		<b>33,914,556,733,508</b>	<b>31,827,003,374,458</b>

**Consolidated balance sheet** (continued)

B01-DN/HN

as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>14,710,864,120,770</b>	<b>15,469,126,320,834</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,086,212,882,813</b>	<b>4,062,369,793,461</b>
311	1. Short-term trade payables	18	649,942,308,673	659,734,149,361
312	2. Short-term advances from customers	19	810,443,650,832	821,856,327,767
313	3. Statutory obligations	20	291,983,466,228	258,734,682,600
314	4. Payables to employees		70,958,413,908	49,177,188,081
315	5. Short-term accrued expenses	21	573,773,399,392	870,977,279,778
318	6. Short-term unearned revenues	22	1,017,889,392	1,670,313,750
319	7. Short-term other payables	23	219,514,673,044	142,022,151,735
320	8. Short-term loans	24	1,455,134,067,019	1,233,985,836,561
321	9. Short-term provisions	25	10,556,886,638	20,118,884,268
322	10. Bonus and welfare fund		2,888,127,687	4,092,979,560
<b>330</b>	<b>II. Non-current liabilities</b>		<b>10,624,651,237,957</b>	<b>11,406,756,527,373</b>
336	Long-term unearned revenues	22	1,147,727,272	-
337	2. Other long-term liabilities	23	450,928,600,880	444,716,864,549
338	3. Long-term loans	24	9,945,950,959,393	10,739,972,813,508
341	4. Deferred tax liabilities	32.3	189,101,286,239	189,180,328,850
342	5. Long-term provisions	25	37,522,664,173	32,886,520,466
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>19,203,692,612,738</b>	<b>16,357,877,053,624</b>
<b>410</b>	<b>I. Capital</b>		<b>19,203,692,612,738</b>	<b>16,357,877,053,624</b>
411	1. Share capital	26.1	3,564,104,840,000	3,100,588,410,000
411a	Shares with voting rights	26.1	3,564,104,840,000	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	234,678,637,677
421	5. Undistributed earnings	26.1	10,704,620,223,639	8,963,840,558,977
421a	Undistributed earnings by the end of prior year		8,012,103,633,221	7,108,760,930,846
421b	Undistributed earnings of the current year		2,692,516,590,418	1,855,079,628,131
429	6. Non-controlling interests	26.4	3,697,421,830,798	3,055,902,366,346
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>33,914,556,733,508</b>	<b>31,827,003,374,458</b>


Pham Thi Uyen Phuong  
Preparer

3 March 2023


Ho Tran Dieu Linh  
Chief AccountantHuynh Thuan Hai  
General Director

# Consolidated income statement

as at 31 December 2022

B02-DN/HN

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	27.1	9,377,949,892,489	5,815,207,697,974
02	2. Deductions	27.1	(6,022,115,163)	(5,396,769,153)
10	3. Net revenues from sale of goods and rendering of services	27.1	9,371,927,777,326	5,809,810,928,821
11	4. Costs of goods sold and services rendered	28	(5,042,144,068,004)	(3,499,780,319,487)
20	5. Gross profit from sale of goods and rendering of services		4,329,783,709,322	2,310,030,609,334
21	6. Finance income	27.2	186,791,709,886	466,044,378,716
22	7. Finance expenses	29	(941,632,842,257)	(707,477,013,541)
23	<i>In which: Interest expense</i>		(882,746,948,990)	(663,213,132,564)
24	8. Shares of profit of associates	16.3	1,077,442,346,189	774,158,791,759
25	9. Selling expenses	30	(88,908,329,412)	(85,073,572,183)
26	10. General and administrative expenses	30	(577,624,360,997)	(370,461,124,107)
30	11. Operating profit		3,985,852,232,731	2,387,222,069,978
31	12. Other income		43,804,003,691	24,734,212,639
32	13. Other expenses		(151,095,155,913)	(12,127,253,678)
40	14. Other (loss) profit		(107,291,152,222)	12,606,958,961
50	15. Accounting profit before tax		3,878,561,080,509	2,399,829,028,939
51	16. Current corporate income tax expense	32.1	(370,027,518,385)	(270,987,968,658)
52	17. Deferred tax income	32.1	6,843,413,041	6,569,186,967
60	18. Net profit after tax		3,515,376,975,165	2,135,410,247,248
61	19. Net profit after tax attributable to shareholders of the parent		2,692,516,590,418	1,855,079,628,131
62	20. Net profit after tax attributable to non-controlling interests		822,860,384,747	280,330,619,117
70	21. Basic earnings per share	26.5	7,576	5,220
71	22. Diluted earnings per share	26.5	7,576	5,220



Pham Thi Uyen Phuong  
Preparer



Ho Tran Dieu Lynh  
Chief Accountant



CÔNG TY  
CỔ PHẦN  
CƠ ĐIỆN LẠNH  
Huỳnh Thành Hải  
General Director

3 March 2023

# Consolidated cash flow statement

for the year ended 31 December 2022

B03-DN/HN

Code	ITEMS	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>01</b>	<b>Accounting profit before tax</b>		<b>3,878,561,080,509</b>	<b>2,399,829,028,939</b>
Adjustments for:				
02	Depreciation and amortisation (including amortisation of goodwill)	12, 13, 15, 17	1,225,256,688,185	892,770,160,161
03	Provisions		98,981,408,043	18,405,779,937
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts denominated in foreign currency		42,356,802,295	(54,068,058,823)
05	Gains from investing activities		(1,130,009,949,164)	(1,163,257,560,126)
06	Interest and allocation of bond issuance expenses	29	887,764,661,798	673,223,734,156
<b>08</b>	<b>Operating income before changes in working capital</b>		<b>5,002,910,691,666</b>	<b>2,766,903,084,244</b>
09	(Increase) decrease in receivables		(770,938,229,468)	29,622,920,119
10	(Increase) decrease in inventories		(622,597,956,965)	77,638,886,518
11	Increase (decrease) in payables		126,007,195,458	(854,110,675,499)
12	Decrease (increase) in prepaid expenses		300,652,623	(98,627,188,150)
13	(Increase) decrease in held-for-trading securities		(717,139,261,908)	360,428,367,722
14	Interest paid		(1,072,711,718,881)	(514,814,557,208)
15	Corporate income tax paid		(358,545,104,131)	(230,330,263,598)
17	Other cash outflows for operating activities		(18,153,481,873)	(12,082,946,322)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>1,569,132,786,521</b>	<b>1,524,627,627,826</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchase and construction of fixed assets		(738,142,358,399)	(3,912,223,653,143)
22	Proceeds from disposals of fixed assets		27,429,467,640	902,280,798
23	Investments in term deposits and loans to other entities		(2,155,043,943,572)	(903,739,312,954)
24	Proceeds from divestments term deposits and collections from borrowers		2,114,067,604,767	1,489,286,994,839
25	Payments for investment in other entities		(738,141,142,458)	(224,284,358,055)
26	Proceeds from divestments in other entities		-	246,797,500,808
27	Interest and dividends received		721,597,119,576	1,290,727,765,581
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(768,233,252,446)</b>	<b>(2,012,532,782,126)</b>

## Consolidated cash flow statement (continued))

for the year ended 31 December 2022

B03-DN/HN

Code	ITEMS	Notes	Current year	Previous year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
31	Capital contribution from non-controlling interests		1,471,000,000	121,000,000,000
33	Drawdown of borrowings	24	1,826,974,238,896	3,971,732,695,581
34	Repayment of borrowings	24	(2,734,496,023,082)	(2,340,106,444,858)
36	Dividends paid to equity holders of the parent	26.2	(306,041,313,190)	(166,029,400)
36	Dividends paid to non-controlling interests		(268,443,810,094)	(85,419,410,992)
<b>40</b>	<b>Net cash flows (used in) from financing activities</b>		<b>(1,480,535,907,470)</b>	<b>1,667,040,810,331</b>
<b>50</b>	<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(679,636,373,395)</b>	<b>1,179,135,656,031</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>1,830,901,134,902</b>	<b>651,668,665,185</b>
61	Impact of exchange rate fluctuation		5,924,638	96,813,686
<b>70</b>	<b>Cash and cash equivalents at the end of year</b>	<b>5</b>	<b>1,151,270,686,145</b>	<b>1,830,901,134,902</b>


Pham Thi Uyen Phuong  
Preparer

3 March 2023


Ho Tran Dieu Lynh  
Chief AccountantHuynh Thien Hai  
General DirectorNotes to the consolidated  
financial statements

as at 31 December 2022 and for the year then ended

B09-DN/HN

## 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 16 June 2022.

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 No. 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 2022 was 2,122 (31 December 2021: 1,982).

## Corporate structure

As at 31 December 2022, the Company's corporate structure includes thirty (30) subsidiaries. Details are as follows:

Names	Location	Business activities	% of interest	
			Ending balance	Beginning balance
(1) R.E.E Mechanical & Engineering Joint Stock Company	Ho Chi Minh City	Mechanical and Engineering	91.56	91.38
(2) R.E.E Electric Appliances Joint Stock Company	Ho Chi Minh City	Electric Appliances	99.99	99.99
(3) RMC Trade & Services Company Limited	Ho Chi Minh City	Trading	99.99	99.99
(4) REEPRO Service and Manufacturing Company Limited	Ho Chi Minh City	Mechanical and Engineering	99.99	99.99
(5) REE Land Company Limited	Ho Chi Minh City	Real estate	100.00	100.00
(6) Song Mai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	73.99	99.99
(7) Tan Hai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	99.99	99.99
(8) Song Long Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	70.00	70.00
(9) R.E.E Real Estate Co., Ltd.	Ho Chi Minh City	Office building management	100.00	100.00
(10) REE Energy Company Limited	Ho Chi Minh City	Power	100.00	100.00

Names	Location	Business activities	% of interest	
			Ending balance	Beginning balance
(11) Thac Ba Hydropower Joint Stock Company (i)	Yen Bai Province	Hydropower	60.42	60.42
(12) Vinh Son-Song Hinh Hydropower Joint Stock Company	Binh Dinh Province	Hydropower	52.15	50.45
(13) Muong Hum Hydropower Joint Stock Company (i)	Lao Cai Province	Hydropower	79.84	79.84
(14) Thac Ba 2 Investment Hydropower Joint Stock Company	Yen Bai Province	Hydropower	35.60	-
(15) Indochina Electrical Development Joint Stock Company	Lai Chau Province	Hydropower	99.99	-
(16) Thuan Binh Wind Power Joint Stock Company (ii)	Binh Thuan Province	Wind Power	50.00	50.00
(17) REE Tra Vinh WP Co., Ltd	Tra Vinh Province	Wind Power	100.00	-
(18) REE SE Holdings Company Limited	Ho Chi Minh City	Solar Power	100.00	100.00
(19) REE Solar Energy Joint Stock Company	Ho Chi Minh City	Solar Power	99.99	99.99
(20) Tan Binh Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(21) REE SE Anh Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(22) REE SE Huong Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(23) REE SE Thai Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(24) Ewaco Electricity And Water Infrastructure Joint Stock Company	Ho Chi Minh City	Solar Power	51.00	-
(25) Pacific Solar Power Joint Stock Company	Ho Chi Minh City	Solar Power	50.99	50.99
(26) Tra Vinh Electric Development Joint Stock Company	Tra Vinh Province	Electricity Trading	66.29	66.29
(27) Tin Hieu Xanh Trading Services Construction Company Limited	Ho Chi Minh City	Electrical infrastructure	100.00	100.00
(28) REE Water Company Limited	Ho Chi Minh City	Water supply	100.00	100.00
(29) TK Plus Company Limited	Ho Chi Minh City	Service supply	65.00	65.00
(30) REE Digital Co., Ltd.	Ho Chi Minh City	Digital	100.00	-

- i. 38,365,168 shares of Thac Ba Hydropower Joint Stock Company and 24,932,630 shares of Muong Hum Hydropower Joint Stock Company, 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).

## 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 2022.

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.

### 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.

#### 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.

### 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.

From 1 January 2022, the Company's management has changed the estimated useful lives for depreciation of tangible fixed assets to better reflect the usage of those assets. The impact of the said change is disclosed in Note 12.

### 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.

### 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.

#### **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.

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.

**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

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.

**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.

**3.19 Earnings per share****3.20 Taxation**

**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 Acquisition of interests in Indochina Electrical Development Joint Stock Company**

On 1 July 2022, REE Energy Company Limited ("REE Energy"), the Group's subsidiary, completely acquired shares of Indochina Electrical Development Joint Stock Company ("IED") from the existing shareholders at the consideration of VND 573,814,347,600.

Accordingly, IED has become a subsidiary of the Group from the date of completion of the acquisition with the ownership interest of the Group in IED of 99.99%. The principal activities of IED are invest and implement the project of hydropower plant.

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

	VND
	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	
Cash	8,687,098,290
Receivables	19,402,345,550
Fixed assets	519,121,691,129
Other assets	5,426,927,434
	<b>552,638,062,403</b>
<b>Liabilities</b>	
Trade payables and accruals	8,912,234,189
Loans	292,817,535,228
Other payables	6,252,380,942
	<b>307,982,150,359</b>

**4.2 Additional acquisition of interests in Thac Ba 2 Investment Hydropower Joint Stock Company**

Identifiable net assets at fair value	244,655,912,044
In which:	
Net assets acquired	244,653,501,558
Non-controlling interests	2,410,486
Goodwill arising on acquisition	329,160,846,042
<b>Purchase consideration</b>	<b>573,814,347,600</b>

**Cash flow on acquisition**

Net cash acquired with the subsidiary	8,687,098,290
Cash paid	573,814,347,600
<b>Net cash flow on acquisition</b>	<b>565,127,249,310</b>

On 31 December 2022, REE Energy Company Limited ("REE Energy"), the Group's subsidiary, has completed the purchase of additional 1,036,566 shares from existing shareholders Thac Ba 2 Investment Hydropower Joint Stock Company ("TBC2") with consideration of VND 10,911,008,666. Accordingly, the ownership interest of REE Energy in TBC2 increase from 29.6% to 35.6%.

Although the Group's direct and indirect ownership in TBC2 is 35.6% as at 31 December 2022, the Group has direct and indirect control aggregated to 55% of TBC2.

Accordingly, TBC2 is a subsidiary of the Group. The principal activities of TBC2 are to invest and implement the project of hydropower plant.

The fair values of the identifiable assets and liabilities of TBC2 as at the acquisition date of consolidation are as follows:

	VND
	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	
Cash	66,249,363,020
Receivables	38,269,750,388
Construction in progress	70,343,178,957
Other assets	10,813,493,969
	<b>185,675,786,334</b>
<b>Liabilities</b>	
Trade payables and accruals	439,214,825
Loans	12,761,874,227
Other payables	580,171,768
	<b>13,781,260,820</b>
Identifiable net assets at fair value	171,894,525,514
In which:	
Net assets acquired	61,202,388,875
Non-controlling interests	110,692,136,639
Goodwill arising on acquisition	597,337,135
<b>Purchase consideration</b>	<b>61,799,726,010</b>

#### 4.3 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 4,000,000 shares from existing shareholders Vinh Son – Song Hinh Hydropower Joint Stock Company (“VSH”) with total consideration of VND 158,182,225,173. Accordingly, the ownership interest of REE Energy in VSH increased from 50.45% to 52.15%.

The difference between the consideration and the carrying amount corresponding to the share of net asset value in VSH at the transaction date of VND 79,566,554,109 is recognized as a decrease in undistributed earnings in consolidated balance sheet.

### 5. Cash and cash equivalents

VND

	Ending balance	Beginning balance
Cash on hand	1,615,458,307	6,616,124,305
Cash at banks	455,455,227,838	252,570,714,751
Cash equivalents (*)	694,200,000,000	1,571,714,295,846
<b>TOTAL</b>	<b>1,151,270,686,145</b>	<b>1,830,901,134,902</b>

(\*) Cash equivalents mainly represent the short-term bank deposits with original maturity of less than three months and earn average interest rates ranging from 4.0% to 6.0% per annum.

### 6. Short-term trade receivables and construction contract receivables based on agreed progress billings

VND

	Ending balance	Beginning balance
Short-term trade receivables	2,664,128,054,611	2,034,510,985,201
Construction contract receivables based on agreed progress billings	566,100,289,760	532,836,195,253
<b>TOTAL</b>	<b>3,230,228,344,371</b>	<b>2,567,347,180,454</b>
Provision for doubtful short-term receivables	(208,530,142,069)	(119,126,470,478)
<b>NET</b>	<b>3,021,698,202,302</b>	<b>2,448,220,709,976</b>

In which:

Amount due from third parties	3,209,723,249,510	2,567,317,180,454
Amount due from related parties (Note 34)	20,505,094,861	30,000,000

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

VND

	Current year	Previous year
Beginning balance	119,126,470,478	93,134,006,764
Add: Provision created during the year	108,122,893,620	26,223,009,911
Less: Reversal of provision during the year	(18,719,222,029)	(230,546,197)
Ending balance	208,530,142,069	119,126,470,478

### 7. Short-term advances to suppliers

	Ending balance	Beginning balance
Central Construction Joint Stock Company	126,977,219,745	-
Quan Dat Trading and Production Company Limited	21,444,400,000	-
Others	151,596,621,168	144,814,816,021
<b>TOTAL</b>	<b>300,018,240,913</b>	<b>144,814,816,021</b>

Dự phòng phải thu khoản trả trước cho người bán ngắn hạn khó đòi

### 8. Other receivables

	Ending balance	Beginning balance
<b>Short-term</b>	<b>596,729,452,561</b>	<b>372,122,761,655</b>
Capital contribution in Business Cooperation Contracts	158,051,706,360	148,037,706,360
Advances for investments (*)	140,100,458,390	93,388,984,258
Dividend receivable	76,204,662,800	18,592,171,600
Interest income	46,725,041,323	36,000,867,106
Advances for employees	19,657,890,074	16,855,075,624
Others	155,989,693,614	59,247,956,707
<b>Long-term</b>	<b>33,290,930,892</b>	<b>37,189,676,300</b>
Advances for land compensation	14,139,250,600	28,532,319,900
Deposits	19,151,680,292	8,657,356,400
<b>TOTAL</b>	<b>630,020,383,453</b>	<b>409,312,437,955</b>

In which:

Receivables from third parties	550,931,994,628	390,728,478,684
Receivables from related parties (Note 34)	79,088,388,825	18,583,959,271

(\*) These amount represent the advances 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.

## 9. Bad debts

VND

	Ending balance		Beginning balance		Net amount
	Cost	Provision	Cost	Provision	
Mechanical and refrigeration electrical engineering	306,986,719,205	(197,585,385,976)	214,209,674,679	(107,512,505,085)	106,697,169,594
Power and water	13,438,940,751	(10,944,756,093)	12,369,350,698	(11,613,965,393)	755,385,305
<b>TOTAL</b>	<b>320,425,659,956</b>	<b>(208,530,142,069)</b>	<b>226,579,025,377</b>	<b>(119,126,470,478)</b>	<b>107,452,554,899</b>

## 10. Inventories

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventories	1,429,139,313,627	(20,567,297,755)	806,472,650,348	(6,571,835,380)
- Work in process	716,530,975,692	-	251,472,511,794	-
- Raw materials	442,187,389,553	(16,382,345,346)	342,647,386,037	(1,484,424,857)
- Finished and merchandise goods	252,808,147,175	(4,184,952,409)	189,705,896,518	(5,087,410,523)
- Goods in transit	12,778,344,773	-	22,346,617,370	-
- Tools and supplies	4,834,456,434	-	300,238,629	-
<b>TOTAL</b>	<b>1,429,139,313,627</b>	<b>(20,567,297,755)</b>	<b>806,472,650,348</b>	<b>(6,571,835,380)</b>

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

VND

	Current year	Previous year
Beginning balance	(6,571,835,380)	(6,050,887,195)
Add: Provision provided during the year	(14,658,267,948)	(2,419,794,407)
Less: Reversal of provision during the year	662,805,573	1,898,846,222
Ending balance	(20,567,297,755)	(6,571,835,380)

## 11. Long-term prepaid expenses

VND

	Ending balance	Beginning balance
Prepaid land rental	202,786,519,656	207,509,835,074
Shared interconnection facilities at Wind Power Plant	85,297,867,401	89,992,056,850
Tools and supplies	8,310,296,589	7,002,984,214
Others	32,211,956,580	25,223,827,634
<b>TOTAL</b>	<b>328,606,640,226</b>	<b>329,728,703,772</b>

## 12. Tangible fixed assets

VND

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
<b>Nguyên giá:</b>						
Beginning 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
Acquisition of subsidiaries	448,202,796,789	195,078,213,955	18,062,840,663	61,363,636	-	661,405,215,043
Transfer from construction in progress	15,450,754,149	256,096,555,375	17,265,756,328	814,348,912	6,358,316,433	295,985,731,197
New purchase	4,421,051,542	9,254,077,728	10,455,850,299	1,373,812,279	524,497,000	26,029,288,848
Disposals	-	(7,677,681,293)	(2,758,264,872)	(411,449,685)	(441,000,000)	(11,288,395,850)
Others	-	(1,633,039,101)	-	(61,612,824)	-	(1,694,651,925)
Ending balance	11,864,753,962,191	9,910,459,809,216	395,445,597,026	31,146,356,308	22,377,964,534	22,224,183,689,275
<i>In which:</i>						
Fully depreciated	466,568,670,956	1,389,052,912,063	57,075,152,680	23,256,408,854	1,489,517,657	1,937,442,662,210
Collateral (Note 24.2)	7,485,344,480,369	6,981,686,485,205	144,019,669,883	31,525,300	13,641,668,514	14,624,723,829,271
<b>Accumulated depreciation:</b>						
Beginning 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
Depreciation for the year	544,901,510,793	484,724,965,186	22,103,023,186	1,903,137,564	925,847,661	1,054,558,484,390
Acquisition of subsidiaries	97,256,192,040	39,699,302,290	4,406,044,226	24,545,455	-	141,386,084,011
Disposals	-	(697,625,244)	(2,728,953,306)	(340,148,426)	(441,000,000)	(4,207,726,976)
Others	-	(43,366,182)	-	-	-	(43,366,182)
Ending balance	3,293,084,334,801	2,967,401,865,379	168,875,606,069	21,040,632,042	3,241,159,857	6,453,643,598,148
<b>Net carrying amount:</b>						
Beginning 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
Ending balance	8,571,669,627,390	6,943,057,943,837	226,569,990,957	10,105,724,266	19,136,804,677	15,770,540,091,127

As disclosed in Note 3, from 1 January 2022, Management has changed the estimated useful lives used to calculate depreciation charge of tangible fixed assets to better reflect the usage of certain assets based on reassessment of remaining useful lives of those assets. This change in useful lives made the depreciation charge for the year ended 31 December 2022 at VND 29,156,885,573 lower than depreciation charge in previous year based on former useful lives.

## 13. Intangible assets

VND

	Land use rights	Softwares	Total
<b>Cost:</b>			
Beginning balance	73,625,710,861	11,117,177,464	84,742,888,325
New purchase	59,308,531	7,641,908,352	7,701,216,883
Acquisition of subsidiaries	-	142,000,000	142,000,000
Others	-	(598,500,000)	(598,500,000)
Ending balance	73,685,019,392	18,302,585,816	91,987,605,208
<i>In which:</i>			
Fully amortised	-	8,020,921,127	8,020,921,127
Collateral (Note 24.2)	2,713,395,836	-	2,713,395,836
<b>Accumulated amortisation:</b>			
Beginning balance	9,525,393,475	9,349,336,827	18,874,730,302
Amortisation for the year	792,522,179	1,820,106,745	2,612,628,924
Acquisition of subsidiaries	-	77,166,666	77,166,666
Others	-	(914,748,519)	(914,748,519)
Ending balance	10,317,915,654	10,331,861,719	20,649,777,373
<b>Net carrying amount:</b>			
Beginning balance	64,100,317,386	1,767,840,637	65,868,158,023
Ending balance	63,367,103,738	7,970,724,097	71,337,827,835

## 14. Construction in progress

VND

	Ending balance	Beginning balance
Office Leasing Project costs	270,780,740,030	92,376,666,512
Cost of solar power systems installation on the roof	122,713,559,974	113,940,549,760
Thac Ba 2 hydropower project	70,343,178,957	-
Thuong Kon Tum hydropower project	47,608,128,514	74,131,385,802
Loi Hai 2 wind power project	2,043,931,166	5,609,653,943
Phu Lac 2 wind power project	1,021,075,444	2,519,491,743
Vinh Son hydropower project No.2 & No.3 (*)	-	98,308,623,045
Other projects	34,617,225,581	19,066,789,316
<b>TOTAL</b>	<b>549,127,839,666</b>	<b>405,953,160,121</b>

(\* On 8 December 2022, management of Vinh Son - Song Hinh Hydropower Joint Stock Company ("VSH") assessed that Vinh Son 2 and 3 Hydropower projects are unlikely to generate future economic benefits for VSH. Therefore, management of VSH has written off all construction in progress of Vinh Son 2 and 3 Hydropower Projects and Ho C Project with a total value of VND 99,473,267,506 and approved by the Board of Directors of VSH via the Decision No. 1580/QĐ-HĐQT dated 8 December 2022.

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

## 15. Investment properties

VND

	Buildings and structures	Machinery and equipment	Others	Total
<b>Cost:</b>				
Beginning and ending balances	1,842,464,904,951	664,116,970,095	546,453,001	2,507,128,328,047
<i>In which:</i>				
Fully depreciated	94,407,197,350	233,785,237,644	546,453,001	328,738,887,995
Collateral (Note 24.2)	1,143,425,902,151	277,646,901,440	-	1,421,072,803,591
<b>Accumulated depreciation:</b>				
Beginning balance	561,169,869,176	375,079,728,323	546,453,001	936,796,050,500
Depreciation for the year	70,388,176,540	43,159,534,467	-	113,547,711,007
Ending balance	631,558,045,716	418,239,262,790	546,453,001	1,050,343,761,507
<b>Net carrying amount:</b>				
Beginning balance	1,281,295,035,775	289,037,241,772	-	1,570,332,277,547
Ending balance	1,210,906,859,235	245,877,707,305	-	1,456,784,566,540

The fair value of the investment properties was not formally assessed and determined as at 31 December 2022. 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.

## 16. Investments

VND

	Ending balance	Beginning balance
<b>Short-term</b>		
Held-for-trading securities (Note 16.1)	789,692,824,953	72,553,563,045
Provision for diminution in value of held-for-trading securities (Note 16.1)	(802,036,798)	(293,908,798)
Held-to-maturity investments (Note 16.2)	960,470,823,572	841,268,588,328
<b>Net value of short-term investments</b>	<b>1,749,361,611,727</b>	<b>913,528,242,575</b>
<b>Long-term</b>		
Investments in associates (Note 16.3)	6,174,124,054,127	5,744,934,766,391
Investments in other entities (Note 16.4)	286,508,615,133	286,508,615,133
Held-to-maturity investments (Note 16.2)	30,000,000,000	230,000,000,000
<b>Net value of long-term investments</b>	<b>6,490,632,669,260</b>	<b>6,261,443,381,524</b>
<b>TOTAL</b>	<b>8,239,994,280,987</b>	<b>7,174,971,624,099</b>

## 16.1 Held-for-trading securities

Securities	Ending balance		Beginning balance		Fair value / net value
	Cost	Provision	Cost	Provision	
Vietnam International Bank	738,362,625,000	-	800,850,000,000	-	-
Quang Ninh Thermal Power Joint Stock Company (*)	28,094,786,666	-	32,910,514,300	49,318,149,758	83,791,007,000
Others	23,235,413,287	(802,036,798)	22,433,395,755	(293,908,798)	22,941,600,105
<b>TOTAL</b>	<b>789,692,824,953</b>	<b>(802,036,798)</b>	<b>856,193,910,055</b>	<b>(293,908,798)</b>	<b>106,732,607,105</b>

(\*) During the year, the Company has completed the disposal of 1,897,802 shares in Quang Ninh Thermal Power Joint Stock Company ("QTP"), and the ownership interest of QTP decreased from 0.98% to 0.558%.

## 16.2 Held-to-maturity investments

	Ending balance		Beginning balance	
	Ending balance	Beginning balance	Ending balance	Beginning balance
<b>Short-term</b>	<b>960,470,823,572</b>	<b>841,268,588,328</b>	<b>960,470,823,572</b>	<b>791,268,588,328</b>
Finance institution deposits (*)	960,470,823,572	791,268,588,328		
HPXH2122011_BOND		50,000,000,000		
<b>Long-term</b>	<b>30,000,000,000</b>	<b>230,000,000,000</b>	<b>30,000,000,000</b>	<b>230,000,000,000</b>
TCSCH_BOND_2021	-	100,000,000,000	-	100,000,000,000
VCIH_BOND_2021	-	100,000,000,000	-	100,000,000,000
Other	30,000,000,000	30,000,000,000		
<b>TOTAL</b>	<b>990,470,823,572</b>	<b>1,071,268,588,328</b>	<b>990,470,823,572</b>	<b>1,071,268,588,328</b>

(\*) 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 3.5 % to 9.5% per annum.

## 16.3 Investments in associates

Names of associates	Ending balance		Beginning balance		Business activities
	% of interest	Amount (VND)	% of interest	Amount (VND)	
Doan Nhat Mechanical Electrical Joint Stock Company	31.82	33,912,160,175	31.82	28,782,245,908	Mechanical and Engineering
Saigon Real Estate Joint Stock Company	28.87	245,485,827,623	28.87	192,039,099,649	Real estate
Thac Mo Hydropower Joint Stock Company	42.63	741,882,910,873	42.63	619,373,188,815	Hydropower
IDICO Stok Phu Mieng Hydropower Joint Stock Company	34.30	197,547,974,858	34.30	202,686,076,333	Hydropower
Thac Ba 2 Investment Hydropower Joint Stock Company (iii)	-	-	29.60	35,666,129,184	Hydropower
Song Ba Ha Hydropower Joint Stock Company (i)	25.76	644,453,991,392	25.76	576,650,093,726	Hydropower
Binh Dien Hydropower Joint Stock Company	25.47	128,990,081,815	25.47	94,380,993,280	Hydropower
Central Hydropower Joint Stock Company	24.15	694,714,200,379	23.75	659,559,922,261	Hydropower
Ninh Binh Thermal Power Joint Stock Company	29.45	78,140,603,257	29.45	78,677,911,640	Thermal power
Pha Lai Thermal Power Joint Stock Company ("PPC")	24.14	1,224,973,490,927	24.14	1,197,151,528,744	Thermal power
Thu Duc Water B.O.O Corporation	42.07	309,772,813,418	42.07	303,687,002,433	Water supply
Saigon Water Investment and Trading Joint Stock Company	40.00	398,226,140,206	40.00	321,451,854,101	Water supply
Song Da Water Investment Joint Stock Company	35.95	892,207,514,078	35.95	900,793,555,672	Water supply
Tan Hiep Water Investment Joint Stock Company	32.00	158,522,133,492	32.00	123,394,017,115	Water supply
Khanh Hoa Water Supply Joint Stock Company ("KHW")	43.88	257,947,732,401	43.88	255,959,874,370	Water supply
Thu Duc Water Supply Joint Stock Company	44.17	87,943,267,305	44.17	79,048,269,063	Water supply
Gia Dinh Water Supply Joint Stock Company	20.05	35,142,044,979	20.05	34,086,369,760	Water supply
Nha Be Water Supply Joint Stock Company	20.02	44,261,166,949	20.02	41,546,634,337	Water supply
<b>TOTAL</b>		<b>6,174,124,054,127</b>		<b>5,744,934,766,391</b>	

(i) 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 24.3).

(ii) As at 31 December 2022, the Group has completed the increase in ownership of TBC2 from 29.6% to 35.6%. Although the Group's direct and indirect ownership in TBC2 is 35.6% as at 31 December 2022, the Group has direct and indirect control aggregated to 55% of TBC2. Accordingly, TBC2 is a subsidiary of the Group (Note 4).

### 16.3 Investments in associates (continued)

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

	Cost of investment			Accumulated share of post-acquisition profit (loss) of the associates				Carrying amount			
	Beginning balance	Additions	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
Doan Nhat Mechanical Electrical JSC	15,050,000,000	-	-	15,050,000,000	13,732,245,908	(4,804,800,000)	9,934,714,267	-	18,862,160,175	28,782,245,908	33,912,160,175
Saigon Real Estate JSC	54,457,202,000	-	-	54,457,202,000	137,581,897,649	(8,659,533,500)	62,106,261,474	-	191,028,625,623	192,039,099,649	245,485,827,623
Thac Mo Hydropower JSC	382,178,855,776	-	-	382,178,855,776	237,194,333,039	(113,406,212,000)	235,915,994,058	-	359,704,055,097	619,373,188,815	741,882,910,873
IDICO Srok Phu Mieng Hydropower JSC	173,265,171,175	-	-	173,265,171,175	29,420,905,158	(43,214,900,400)	38,076,798,925	-	24,282,803,683	202,866,076,333	197,547,974,858
Thac Ba 2 Investment Hydropower JSC	35,770,000,000	48,882,890,000	(84,652,890,000)	-	(103,870,816)	-	(152,645,644)	256,516,460	-	35,666,129,184	-
Song Ba Ha Hydropower JSC	368,000,000,000	-	-	368,000,000,000	208,650,093,726	(96,000,000,000)	163,803,897,666	-	276,453,991,392	576,650,093,726	644,453,991,392
Binh Dien Hydropower JSC	599,910,716,000	-	-	59,910,716,000	34,470,277,280	(9,869,900,000)	44,478,988,535	-	69,079,365,815	94,380,993,280	128,990,081,815
Central Hydropower JSC	650,568,743,103	13,898,140,995	-	664,466,884,098	8,991,179,158	(95,026,300,800)	116,282,437,923	-	30,247,316,281	659,559,922,261	694,714,200,379
Ninh Binh Thermal Power JSC	663,358,149,275	-	-	66,358,149,275	12,319,762,365	(5,684,100,000)	5,146,791,617	-	11,782,453,982	78,677,911,640	78,140,603,257
Pha Lai Thermal Power JSC	825,727,978,499	-	-	825,727,978,499	371,423,550,245	(34,828,317,000)	62,650,279,183	-	399,245,512,428	1,197,151,528,744	1,224,973,490,927
Thu Duc Water B.O.O Corporation	409,901,420,000	-	-	409,901,420,000	(106,214,417,567)	(65,727,368,000)	71,813,178,985	-	(100,128,606,582)	303,687,002,433	309,772,813,418
Saigon Water Investment and Trading JSC	61,560,000,000	-	-	61,560,000,000	259,891,854,101	(23,999,800,000)	100,774,086,105	-	336,666,140,206	321,451,854,101	398,226,140,206
Song Da Water Investment JSC	691,163,889,610	-	-	691,163,889,610	209,629,666,062	(80,880,000,000)	72,293,958,406	-	201,043,624,468	900,793,555,672	892,207,514,078
Ton Hiep Water Investment JSC	76,800,000,000	-	-	76,800,000,000	46,594,017,115	(23,040,000,000)	58,168,116,377	-	81,722,133,492	123,394,017,115	158,522,133,492
Khanh Hoa Water Supply JSC	254,626,200,010	-	-	254,626,200,010	1,333,674,360	(12,467,612,208)	14,455,470,239	-	3,321,532,391	255,959,874,370	257,947,732,401
Thu Duc Water Supply JSC	68,375,426,417	-	-	68,375,426,417	10,672,842,646	(4,505,664,000)	13,400,662,242	-	19,567,840,888	79,046,269,063	87,943,267,305
Gia Dinh Water Supply JSC	24,809,965,209	-	-	24,809,965,209	9,276,404,551	(1,904,688,000)	2,960,363,219	-	10,332,079,770	34,086,369,760	35,142,044,979
Nha Be Water Supply JSC	40,176,895,080	-	-	40,176,895,080	1,369,739,257	(2,618,520,000)	5,333,052,612	-	4,084,271,869	41,546,634,337	44,261,166,949
<b>TOTAL</b>	<b>4,258,700,612,154</b>	<b>62,781,030,995</b>	<b>(84,652,890,000)</b>	<b>4,236,828,753,149</b>	<b>1,486,234,154,237</b>	<b>(626,637,715,908)</b>	<b>1,077,442,346,189</b>	<b>256,516,460</b>	<b>1,937,295,300,978</b>	<b>5,744,934,766,391</b>	<b>6,174,124,054,127</b>

### 16.4 Investments in other entities

Names of companies	Ending balance		Beginning balance	
	Cost	Provision	Fair value	Cost
Hai Phong Thermal Power Joint Stock Company	32,619,000,000	-	39,000,000,000	32,619,000,000
Others	253,889,615,133	-	274,577,987,529	253,889,615,133
<b>TOTAL</b>	<b>286,508,615,133</b>	<b>-</b>	<b>313,577,987,529</b>	<b>286,508,615,133</b>

### 17. Goodwill

Cost:	Mường Hum			VSH			Thuan Binh			Others			Total
		IED											
Beginning balance	256,604,003,370	-	94,179,342,393	17,853,543,987	105,940,913,584	474,577,803,334							
Acquisition of subsidiaries (Note 4)	-	329,160,846,042	-	-	597,337,135	329,758,183,177							
Ending balance	256,604,003,370	329,160,846,042	94,179,342,393	17,853,543,987	106,538,250,719	804,335,986,511							
<b>Accumulated amortisation:</b>													
Beginning balance	55,597,534,060	-	7,063,450,679	3,570,708,797	100,217,055,659	166,448,749,195							
Amortisation for the year	25,660,400,338	16,458,042,302	9,417,934,239	1,785,354,398	1,216,132,587	54,537,863,864							
Ending balance	81,257,934,398	16,458,042,302	16,481,384,918	5,356,063,195	101,433,188,246	220,986,613,059							
<b>Net carrying amount:</b>													
Beginning balance	201,006,469,310	-	87,115,891,714	14,282,835,190	5,723,857,925	308,129,054,139							
Ending balance	175,346,068,972	312,702,803,740	77,697,957,475	12,497,480,792	5,105,062,473	583,349,373,452							

**18. Short-term trade payables**

VND

	Ending balance	Beginning balance
Hydrochina Huadong Engineering Coporation – CR 18G	84,420,271,971	83,637,972,001
Song Da No 10 Joint Stock Company	20,000,000,000	119,671,862,167
Others	545,522,036,702	456,424,315,193
<b>TOTAL</b>	<b>649,942,308,673</b>	<b>659,734,149,361</b>

**19. Short-term advances from customers**

VND

	Ending balance	Beginning balance
Supply and installation services	790,855,945,817	815,770,151,924
Others	19,587,705,015	6,086,175,843
<b>TOTAL</b>	<b>810,443,650,832</b>	<b>821,856,327,767</b>
<i>In which:</i>		
<i>Amount due from third parties</i>	<i>809,836,883,593</i>	<i>821,856,327,767</i>
<i>Amount due from a related party (Note 34)</i>	<i>606,767,239</i>	<i>-</i>

**20. Statutory obligations**

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending balance
<b>Payables</b>				
Corporate income tax	157,553,552,673	369,936,040,347	(358,545,104,131)	168,944,488,889
Value-added tax	43,512,771,812	623,742,524,635	(618,691,213,718)	48,564,082,729
Personal income tax	4,349,540,470	45,063,630,983	(42,001,203,469)	7,411,967,984
Others	53,318,817,645	450,699,180,946	(436,955,071,965)	67,062,926,626
<b>TOTAL</b>	<b>258,734,682,600</b>	<b>1,489,441,376,911</b>	<b>(1,456,192,593,283)</b>	<b>291,983,466,228</b>
<b>Receivables</b>				
Corporate income tax	4,982,283,471	-	(91,478,038)	4,890,805,433
Others	114,549,121	20,098,375,644	(18,904,417,860)	1,308,506,905
<b>TOTAL</b>	<b>5,096,832,592</b>	<b>20,098,375,644</b>	<b>(18,995,895,898)</b>	<b>6,199,312,338</b>

**21. Short-term accrued expenses**

VND

	Ending balance	Beginning balance
Costs of supply and installation services	286,199,218,667	334,345,158,590
Interest expense	152,983,384,308	340,793,304,100
Accrued construction expenses	11,119,070,253	146,831,589,924
Promotions	3,869,035,898	2,405,353,460
Others	119,602,690,266	46,601,873,704
<b>TOTAL</b>	<b>573,773,399,392</b>	<b>870,977,279,778</b>

**22. Unearned revenue**

VND

	Ending balance	Beginning balance
<b>Short-term</b>	<b>1,017,889,392</b>	<b>1,670,313,750</b>
Others	1,017,889,392	1,670,313,750
<b>Long-term</b>	<b>1,147,727,272</b>	<b>-</b>
Others	1,147,727,272	-
<b>TOTAL</b>	<b>2,165,616,664</b>	<b>1,670,313,750</b>

**23. Other payables**

VND

	Ending balance	Beginning balance
<b>Short-term</b>	<b>219,514,673,044</b>	<b>142,022,151,735</b>
Dividend payables	145,414,836,401	75,748,884,338
Purchase of investments	7,249,259,000	7,249,838,995
Others	66,850,577,643	59,023,428,402
<b>Long-term</b>	<b>450,928,600,880</b>	<b>444,716,864,549</b>
Deposits received from office tenants	249,194,403,704	242,200,367,403
Guarantee fee	201,734,197,176	202,516,497,146
<b>TOTAL</b>	<b>670,443,273,924</b>	<b>586,739,016,284</b>

## 24. Loans

VND

	Beginning balance	Withdraw	Acquisition of subsidiaries	Repayment	Reclassification	Revaluation	Allocation of bond issuance expenses	Ending balance
<b>Short-term</b>	<b>1,233,985,836,561</b>	<b>1,461,160,018,065</b>	<b>58,606,309,878</b>	<b>(1,852,683,999,488)</b>	<b>550,815,429,279</b>	<b>3,250,472,724</b>	<b>-</b>	<b>1,455,134,067,019</b>
Loans from banks (Note 24.1)	368,736,544,503	1,401,160,018,065	-	(1,005,832,623,640)	-	-	-	764,063,938,928
Loan to others	12,142,664,080	-	-	(12,142,664,080)	-	-	-	-
Current portion from banks of long-term loans (Note 24.2)	595,106,627,978	60,000,000,000	58,606,309,878	(556,708,711,768)	522,815,429,279	3,250,472,724	-	683,070,128,091
Current portion of domestic straight bonds (Note 24.3)	258,000,000,000	-	-	(278,000,000,000)	28,000,000,000	-	-	8,000,000,000
<b>Long-term</b>	<b>10,739,972,813,508</b>	<b>365,814,220,831</b>	<b>226,973,099,577</b>	<b>(881,812,023,594)</b>	<b>(550,815,429,279)</b>	<b>40,007,153,594</b>	<b>5,811,124,756</b>	<b>9,945,950,959,393</b>
Loans from financial institutions (Note 24.2)	8,269,756,557,528	365,814,220,831	226,973,099,577	(783,812,023,594)	(522,815,429,279)	40,007,153,594	-	7,595,923,578,657
Domestic straight bonds (Note 24.3)	2,470,216,255,980	-	-	(98,000,000,000)	(28,000,000,000)	-	5,811,124,756	2,350,027,380,736
<b>TOTAL</b>	<b>11,973,958,650,069</b>	<b>1,826,974,238,896</b>	<b>285,579,409,455</b>	<b>(2,734,496,023,082)</b>	<b>-</b>	<b>43,257,626,318</b>	<b>5,811,124,756</b>	<b>11,401,085,026,412</b>

## 24.1 Short-term bank loans

Group obtained short-term loans from banks to finance its working capital requirements. The short-term bank loans, as the balance sheet date, bear interest at the average rate ranging from 3.5% to 10.98% per annum. Details are as follows:

Bankers	Ending balance	Maturity date	Description of collateral
	VND		
Joint Stock Bank for Foreign Trade of Vietnam	385,311,839,361	From 13 June 2023 to 4 October 2023	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade	179,378,666,230	From 9 Jan 2023 to 27 June 2023	Unsecured
Malayan Banking Berhad – Ho Chi Minh Branch	140,715,826,432	From 2 March 2023 to 4 August 2023	Unsecured
HSBC Bank (Vietnam) Ltd.	57,556,921,505	16 May 2023	Unsecured
Vietnam Maritime Commercial Joint Stock Bank – Sai Gon Branch	1,100,685,400	6 March 2023	Unsecured
<b>TOTAL</b>	<b>764,063,938,928</b>		

## 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 as at the balance sheet date, bear interest at the average rate in EUR at 1.25% per annum, in USD ranging from 2.00% to 2.97% + LIBOR per annum and in VND ranging from 7% to 12.05% per annum.

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

Lender	Ending balance	Original amount	Maturity date	Description of collateral
	VND			
<b>International Finance Corporation - IFC</b>				
- No. 44653 (USD)	1,075,535,850,000	45,410,000 (USD)	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
<b>Raiffeisen Landesbank Osterreich Bank (ii)</b>				
- Agreement dated 28 March 2013 (USD)	487,310,705,533	20,531,313 (USD)	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.
<b>EVN Finance Joint Stock Company</b>				
- 01/2014/HDCVL/TCDL TBW/Phu Lac (EUR)	368,839,404,430	14,288,347.58 (EUR)	30 December 2027	All assets related to Phu Lac Wind Power Factory of Thuan Binh, located at Tuy Phong District, Binh Thuan Province
<b>Vietnam Development Bank – Central South Branch (iii)</b>				
- 01/TDNN (USD)	96,935,948,509	4,105,368 (USD)	1 June 2035	A part of assets belong to Song Hinh Hydropower Plant.
<b>Bank for Investment and Development of Vietnam Joint Stock Company ("BIDV") – Binh Dinh Branch</b>				
- No. 01/2015/HDTD with credit limit of VND 850 billion	682,579,914,217		8 October 2030	(i)
- No. 01/2017/HDTD with credit limit of VND 600 billion	494,882,000,000		8 October 2030	

## 24.2 Long-term financial institution loans (continued)

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

Lender	Ending balance	Maturity date	Description of collateral
VND			
<b>Joint-Stock Commercial Bank for Foreign Trade of Vietnam – Kon Tum Branch</b>			
- No. 01/2015/HDTD with credit limit of VND 700 billion	639,010,146,384	8 October 2030	(i)
- No. 01/2017/HDTD with credit limit of VND 500 billion	228,228,998,000	13 July 2030	
<b>Joint Stock Commercial Bank For Foreign Trade of Vietnam – Binh Tay Branch</b>			
- 021C16	471,749,734,748	26 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
<b>Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank") – Hiep Phu Branch</b>			
- No. 04/2015/HDTD with credit limit of VND 950 billion	436,988,149,186	22 September 2030	(i)
<b>HSBC Bank (Vietnam) Ltd.</b>			
- VNM160065/1CM	322,240,755,364	26 November 2027	All machinerics and equipment are solar panels and other equipment related to rooftop solar power system from REE Solar and/or subsidiaries
<b>Asia Commercial Bank ("ACB") – Binh Dinh Branch</b>			
- No. 01/2015/HDTD with credit limit of VND 950 billion	404,083,500,000	22 September 2030	(i)
<b>Joint-Stock Commercial Bank for Foreign Trade of Vietnam – Gia Lai Branch</b>			
- No. 01/2015/HDTD with credit limit of VND 400 billion	363,753,562,524	13 July 2030	(i)
<b>HSBC Bank (Vietnam) Ltd.</b>			
- VNM170276CM	141,428,571,428	24 July 2024	Land use rights, building and amount receivable from office lease of REE Tower at No. 9 Doan Van Bo Street, District 4, Ho Chi Minh City ("REE Tower")

## 24.2 Long-term financial institution loans (continued)

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

Lender	Ending balance	Maturity date	Description of collateral
VND			
<b>Vietnam Development Bank – Lai Chau Branch</b>			
- 08/2015/HDTDBT-NHPT	238,959,000,000	20 October 2027	Land use rights and attached assets related to Nam Ban 2 Hydropower Project according to Decision No.0412/2014/GD-HDTV-NB2 dated 29 May 2015.
<b>Shinhan Bank Vietnam</b>			
- SHBVN/BC/HDTD/REE/201805	103,909,364,995	8 May 2026	Assets hereinafter from time to time located at No. 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
- SHBVN/CMC/212022/HDTD/MHP	165,000,000,000	10 August 2025	The entire revenue under the contract from Muong Hum and Ban Xeo Hydropower Project No. 08/2019/HD_NMD between Muong Hum and EVN date 6 September 2019
- SHBVN/CMC/122022/HDTD/THACBA2	12,761,874,227	25 November 2034	All receivables from land, all assets related to Thac Ba 2 Hyropower Plant, receivables from electricity selling contract, loan guarantee contract of TBC and PECC2
<b>Vietnam Prosperity Joint-Stock Commercial Bank – Western Ha Noi Branch</b>			
- 301220-6614538-01-SME	463,380,304	30 November 2026	Ford Ranger Car
<b>Joint Stock Commercial Bank For Foreign Trade of Vietnam – Ho Chi Minh City Branch</b>			
- 0094/2038/D-DA/01	1,217,140,557,250	20 September 2033	All assets, machinery and equipment formed in the future belong to Tra Vinh Wind Power Plant Project VI-3 Property rights arising from the Project
- 0001/2138/D-DA/01	147,076,296,041	2 August 2029	A part of machinery and equipment of solar panels related to rooftop solar power system from the Company and its subsidiaries; and letter of guarantee from Refrigeration Electrical Engineering Corporation
- 0002/2138/D-DA/01	61,313,344,542	2 February 2029	
- 0002/2138/D-DA/01	43,711,979,424	2 February 2029	
- 562/TBN-KDN/21DH	40,300,000,000	2 February 2029	A part of machinery and equipment of solar panels related to rooftop solar power system from the Company and its subsidiaries
- 0146/2038/D-DA/01	34,790,669,642	19 January 2029	
<b>TOTAL</b>	<b>8,278,993,706,748</b>		
In which:			
Current portion	683,070,128,091		
Non-current portion	7,595,923,578,657		

## 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 2005, 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.

## 24.3 Domestic straight bonds

Details of this bond as at 31 December 2022 are as follows:

	Arrangement organization	Amount
		VND
REE-BOND 2029 (i)		2,318,000,000,000
VSH_BOND_2019 (ii)		66,000,000,000
REEBOND 2017 (iii)		-
Bond issuance costs		(43,851,011,708)
Allocation of bond issuance costs		17,878,392,444
<b>TOTAL</b>		<b>2,358,027,380,736</b>
<i>In which:</i>		
Current portion		8,000,000,000
Non-current portion		2,350,027,380,736

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. 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.

On 28 September 2022, the Group completed the repurchase of bonds before the due date. Accordingly, the results of the bonds repurchased before the due date are detail as follows:

Item	Par value (VND)	Term	Issuance date	Maturity date	Issued bonds (at par value)	Bonds in circulation (at par value)	Amount of repurchase (at par value)	Remainin (at par value)
REEBOND2017-01	1,000,000,000	5 years	28 September 2017	28 Sep-tember 2022	700	175	175	-
REEBOND2017-02	1,000,000,000	5 years	18 October 2017	18 October 2022	300	75	75	-

## 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:

	VND		
	Goods warranty	Installation project warranty	Total
<b>Beginning balance</b>	2,153,190,087	50,852,214,647	53,005,404,734
<i>Add: Provision provided during the year</i>	510,624,130	36,849,158,819	37,359,782,949
<i>Less: Reversal of provision during the year</i>	(2,084,551,958)	(40,201,084,914)	(42,285,636,872)
Ending balance	579,262,259	47,500,288,552	48,079,550,811
<i>In which:</i>			
Short-term	579,262,259	9,977,624,379	10,556,886,638
Long-term	-	37,522,664,173	37,522,664,173

## 26. Owners' equity

### 26.1 Increase and decrease in owners' equity

	VND					
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<b>Previous year</b>						
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
<b>Current year</b>						
Beginning 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
Stock dividend(*)	463,516,430,000	-	-	-	463,516,430,000	-
Cash dividend (*)	-	-	-	-	(309,050,926,000)	(309,050,926,000)
Net profit for the year	-	-	-	-	2,692,516,590,418	2,692,516,590,418
Appropriation to bonus and welfare funds	-	-	-	-	(10,575,499,388)	(10,575,499,388)
Others	-	-	-	-	(168,594,070,368)	(168,594,070,368)
Ending balance	3,564,104,840,000	1,050,489,310,786	(47,622,230,162)	234,678,637,677	10,704,620,223,639	15,506,270,781,940

(\*) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 02/2022/DHDCD-NG dated 31 March 2022, the Company's shareholders approved the dividend payment of 25% for 2021 from the undistributed earning, in which, dividends are paid 10% in cash and 15% in shares. Accordingly, on 25 May 2022, the Company completed the issuance of stock dividends and was approved by the DPI of Ho Chi Minh City via issuance of the 27th amended ERC dated 16 June 2022.

## 26.2 Capital transactions with shareholders and distribution of dividends

VND

	Current year	Previous year
<b>Contributed share capital</b>		
Beginning balance	3,100,588,410,000	3,100,588,410,000
Stock dividend	463,516,430,000	-
Ending balance	3,564,104,840,000	3,100,588,410,000
<b>Dividends</b>		
Dividends declared	772,567,356,000	-
Dividends paid during the year	306,041,313,190	166,029,400

## 26.3 Shares

	Number of shares	
	Ending balance	Beginning balance
<b>Issued shares</b>		
Issued and paid-up shares	356,410,484	310,058,841
<i>Ordinary shares</i>	356,410,484	310,058,841
<b>Treasury shares</b>		
<i>Ordinary shares</i>	(1,007,915)	(1,007,915)
<b>Shares in circulation</b>		
<i>Ordinary shares</i>	355,402,569	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	3,055,902,366,346	759,653,092,112
Acquisition of a subsidiary (Note 4)	110,694,547,125	2,227,232,102,547
Net profit for the year	822,860,384,747	280,330,619,117
Capital contribution during the year	1,471,000,000	121,000,000,000
Increase due to change in ownership interests in subsidiaries	50,889,247,142	-
Disposal of a subsidiary	-	(212,630,224,062)
Dividend declared	(336,030,159,549)	(114,104,802,725)
Appropriation to bonus and welfare funds	(8,502,618,122)	(5,696,634,988)
Others	137,063,109	118,214,345
Ending balance	3,697,421,830,798	3,055,902,366,346

## 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)	2,692,516,590,418	1,855,079,628,131
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	2,692,516,590,418	1,855,079,628,131
Weighted average number of ordinary shares (*)	355,402,569	355,402,569
Earnings per share (VND/share)		
- <i>Basic</i>	7.576	5.220
- <i>Diluted</i>	7.576	5.220

(\*) Weighted average number of ordinary shares for basic earnings for the year ended 31 December 2021 was restated compared to the past data presented in the consolidated financial statements in year 2021 to reflect the issuance of shares appropriated from stock dividends at the ratio of 15% of the year 2021 according to the Resolution of the Annual General Meeting of Shareholders No. 02/2022/DHDCD-NQ dated 31 March 2022.

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

	Năm nay	Năm trước
<b>Gross revenues</b>	<b>9,377,949,892,489</b>	<b>5,815,207,697,974</b>
<i>Of which:</i>		
<i>Revenue from power and water</i>	5,519,040,841,787	3,055,147,984,915
<i>Revenue from mechanical and refrigeration electrical engineering</i>	2,822,307,718,348	1,821,846,603,638
<i>Revenue from real estate and office leasing</i>	1,036,601,332,354	938,213,109,421
<b>Less</b>	<b>(6,022,115,163)</b>	<b>(5,396,769,153)</b>
<i>Sales returns</i>	(6,022,115,163)	(5,396,769,153)
<b>NET REVENUES</b>	<b>9,371,927,777,326</b>	<b>5,809,810,928,821</b>
<i>Of which:</i>		
<i>Revenue from power and water</i>	5,519,040,841,787	3,055,147,984,915
<i>Revenue from mechanical and refrigeration electrical engineering</i>	2,816,285,603,185	1,816,449,834,485
<i>Revenue from real estate and office leasing</i>	1,036,601,332,354	938,213,109,421

### 27.2 Finance income

VND

	Current year	Previous year
Interest income	118,702,191,778	98,092,234,828
Dividends income	44,593,877,307	19,898,791,651
Gains from disposal of investments	11,511,021,478	270,352,009,087
Foreign exchange gains	8,025,601,634	72,025,326,248
Others	3,959,017,689	5,676,016,902
<b>TOTAL</b>	<b>186,791,709,886</b>	<b>466,044,378,716</b>

## 28. Costs of goods sold and services rendered

VND

	Current year	Previous year
Cost of mechanical and refrigeration electrical engineering	2,455,769,884,942	1,535,056,009,563
Cost of power and water	2,202,212,053,400	1,713,195,754,482
Cost of real estate and office leasing	384,162,129,662	251,528,555,442
<b>TOTAL</b>	<b>5,042,144,068,004</b>	<b>3,499,780,319,487</b>

## 29. Finance expenses

VND

	Current year	Previous year
Interest expense and allocation of bond issuance expenses	887,764,661,798	673,223,734,156
Foreign exchange losses	50,202,794,387	11,246,027,282
Others	3,665,386,072	23,007,252,103
<b>TOTAL</b>	<b>941,632,842,257</b>	<b>707,477,013,541</b>

## 30. Selling expense and general and administrative expenses

VND

	Current year	Previous year
<b>Selling expenses</b>	<b>88,908,329,412</b>	<b>85,073,572,183</b>
Labour costs	58,503,869,284	50,528,912,312
Expenses for external services	16,121,585,870	16,084,963,271
Others	14,282,874,258	18,459,696,600
<b>General and administrative expenses</b>	<b>577,624,360,997</b>	<b>370,461,124,107</b>
Labour costs	272,942,440,268	207,657,504,297
Provision for doubtful receivables	90,069,450,732	25,992,463,714
Expenses for external services	75,261,195,479	71,776,819,761
Goodwill amortization	53,940,526,729	34,973,302,002
Others	85,410,747,789	30,061,034,333
<b>TOTAL</b>	<b>666,532,690,409</b>	<b>455,534,696,290</b>

## 31. Other income and other expenses

VND

	Current year	Previous year
<b>Other income</b>	<b>43,804,003,691</b>	<b>24,734,212,639</b>
Compensations	23,445,522,269	5,895,121,259
Gains from disposal of assets	1,198,786,734	755,790,284
Others	19,159,694,688	18,083,301,096
<b>Other expenses</b>	<b>151,095,155,913</b>	<b>12,127,253,678</b>
Write-off of assets (Note 14)	99,473,267,506	-
Litigation costs (*)	28,885,873,950	-
Others	22,736,014,457	12,127,253,678
<b>OTHER (LOSS) PROFIT</b>	<b>(107,291,152,222)</b>	<b>12,606,958,961</b>

(\*) On 16 September 2022, the Group received the final judgment dated 14 September 2022 of the Arbitration Council 76/19HCM regarding the settlement of lawsuit No. VIAC-76/19HCM between the Group and the Consortium Contractor Huadong - CR 18G ("CCH") (Note 37). Accordingly, the Group must:

- Pay CCH the legal costs incurred by CCH in the lawsuit VIAC-76/19HCM which is 933,112.18 USD (equivalent to 22,404,023,442 VND); and  
- Refund to CCH the arbitration fee and the cost for the adjudication of the VIAC-76/19HCM case of VND 6,481,850,508.

## 32. Production and operating costs

VND

	Current year	Previous year
Raw materials	1,710,020,727,910	1,036,743,169,292
Depreciation and amortisation (Notes 12, 13, 15 and 17)	1,225,256,688,185	892,770,160,161
Expenses for external services	991,605,998,944	818,125,132,659
Labour costs	672,804,406,074	587,957,359,806
Other expenses	1,274,340,097,059	417,050,079,484
<b>TOTAL</b>	<b>5,874,027,918,172</b>	<b>3,752,645,901,402</b>

## 33. 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.

### 33.1 CIT expenses

VND

	Current year	Previous year
CIT expense	369,697,956,950	271,727,132,037
Adjustment for under (over) accrual of tax from prior years	329,561,435	(739,163,379)
Current CIT expense	370,027,518,385	270,987,968,658
Deferred tax income	(6,843,413,041)	(6,569,186,967)
<b>TOTAL</b>	<b>363,184,105,344</b>	<b>264,418,781,691</b>

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

VND

	Current year	Previous year
<b>Accounting profit before tax</b>	<b>3,878,561,080,509</b>	<b>2,399,829,028,939</b>
At CIT rate of 20% applicable to the Group	775,712,216,102	479,965,805,788
<i>Adjustments to increase (decrease)</i>		
Share of profit of associates	(215,488,469,238)	(154,831,758,352)
Dividends income not subject to CIT	(8,918,775,461)	(3,979,758,330)
Non-deductible expenses	36,127,855,154	11,009,267,261
Adjustment related to Decree No. 132/2020/ND-CP	276,823,855	13,590,963,310
Tax losses of subsidiaries	1,870,139,285	-
Goodwill amortization	10,907,572,773	6,994,660,400
Tax loss of subsidiaries carried forward	-	(6,332,085,483)
Adjustment for under (over) accrual of CIT in prior years	329,561,435	(739,163,379)
Tax incentives at subsidiaries	(237,914,195,307)	(71,003,626,507)
Differences in tax rate of subsidiaries	(14,782,809,229)	(11,078,633,906)
Others	15,064,185,975	823,110,889
<b>CIT expense</b>	<b>363,184,105,344</b>	<b>264,418,781,691</b>

### 33.2 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.

### 33.3 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

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Provision for doubtful short-term receivables	13,288,070,824	13,934,050,661	(645,979,837)	-
Accrued operating expenses	17,874,759,630	11,874,629,505	6,000,130,125	2,170,665,083
Unrealised profit	9,789,753,255	10,126,216,301	(336,463,046)	3,478,603,946
Unbilled contract profit	9,156,294,381	6,447,175,247	2,709,119,134	3,219,849,838
Provision for obsolete inventories	1,216,667,544	882,161,155	334,506,389	(297,308,156)
Provision for investments	(3,604,732,724)	(2,352,720,841)	(1,252,011,883)	(1,353,525,211)
Others	26,999,810	71,930,262	(44,930,452)	518,068,372
	<b>47,747,812,720</b>	<b>40,983,442,290</b>		
<b>Deferred tax liabilities</b>				
Gains on revaluation of VSH's assets	(188,013,161,945)	(188,013,161,945)	-	-
Others	(1,088,124,294)	(1,167,166,905)	79,042,611	(1,167,166,905)
	<b>(189,101,286,239)</b>	<b>(189,180,328,850)</b>		
<b>Net deferred tax income</b>			<b>6,843,413,041</b>	<b>6,569,186,967</b>

## 34. Transactions and balances with related parties

List of related parties as at 31 December 2022 is as follows:

Related parties	Relationship
Thac Mo Hydropower Joint Stock Company	Associate
Song Ba Ha Hydropower Joint Stock Company	Associate
Central Hydropower Joint Stock Company	Associate
IDICO Srok Phu Mieng Hydropower Joint Stock Company	Associate
Binh Dien Hydropower Joint Stock Company	Associate
Pha Lai Thermal Power Joint Stock Company	Associate
Ninh Binh Thermal Power Joint Stock Company	Associate
Song Da Water Investment Joint Stock Company	Associate
Thu Duc Water B.O.O Corporation	Associate
Saigon Water Investment and Trading Joint Stock Company	Associate
Khanh Hoa Water Supply Joint Stock Company	Associate
Tan Hiep Water Investment Joint Stock Company	Associate
Thu Duc Water Supply Joint Stock Company	Associate
Nha Be Water Supply Joint Stock Company	Associate
Gia Dinh Water Supply Joint Stock Company	Associate
Saigon Real Estate Joint Stock Company	Associate
Doan Nhat Mechanical Electrical Joint Stock Company	Associate
Southern Hydropower Joint Stock Company	Other investment
Hai Phong Thermal Power Joint Stock Company	Other investment

### 34. Transactions and balances with related parties (continued)

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	34,828,317,000	429,084,865,440
Thac Mo Hydropower Joint Stock Company	Associate	Dividend income	113,406,212,000	215,770,240,200
		Rental income	5,691,752,174	-
		Purchase of service	750,397,313	-
		Service income	31,272,727	-
Song Ba Ha Hydropower Joint Stock Company	Associate	Dividend income	96,000,000,000	207,360,000,000
Central Hydropower Joint Stock Company	Associate	Dividend income	95,026,300,800	53,319,683,200
Thu Duc Water B.O.O Corporation	Associate	Dividend income	65,727,368,000	51,642,932,000
		Sales of goods	32,677,480,272	-
		Expert salary	-	85,893,913
Tan Hiep Water Investment Joint Stock Company	Associate	Dividend income	23,040,000,000	49,920,000,000
		Sales of goods	99,934,000	-
Saigon Real Estate Joint Stock Company	Associate	Dividend income	8,659,533,500	25,978,600,500
Saigon Water Investment and Trading Joint Stock Company	Associate	Dividend income	23,999,800,000	23,999,800,000
		Expert salary	-	262,859,065
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	43,214,900,400	18,520,671,600
Khanh Hoa Water Supply Joint Stock Company	Associate	Dividend income	12,467,612,208	13,451,918,400
		Sales of goods	4,311,813,491	-
Ninh Binh Thermal Power Joint Stock Company	Associate	Dividend income	5,684,100,000	5,684,100,000
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	9,869,900,000	3,947,960,000
Nha Be Water Supply Joint Stock Company	Associate	Dividend income	2,618,520,000	2,400,310,000
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	Dividend income	80,880,000,000	-
		Lending	73,800,000,000	-
		Interest income	4,810,465,749	-
		Other income	-	1,452,416,364
		Expert salary	-	1,389,128,693
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Dividend income	4,804,800,000	8,618,610,000
		Sales of goods	652,138,604	370,182,400

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
<b>Short-term trade receivable</b>				
Thu Duc Water B.O.O Corporation	Associate	Others	20,161,659,809	-
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Service income	343,435,052	-
Thac Ba 2 Hydropower Joint Stock Company	Associate until 31 December 2022	Service revenue	-	30,000,000
<b>TOTAL</b>			<b>20,505,094,861</b>	<b>30,000,000</b>
<b>Short-term loan receivable</b>				
Song Da Water Investment Joint Stock Company	Associate	Lending (*)	94,800,000,000	21,000,000,000
<b>Advance from customer</b>				
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Service income	606,767,239	-
<b>Other short-term receivables</b>				
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	20,214,900,400	18,520,671,600
Central Hydropower Joint Stock Company	Associate	Interest income	39,989,762,400	-
Song Ba Ha Hydropower Joint Stock Company	Associate	Dividend income	16,000,000,000	-
Song Da Water Investment Joint Stock Company	Associate	Interest income	2,883,726,025	63,287,671
<b>TOTAL</b>			<b>79,088,388,825</b>	<b>18,583,959,271</b>

(\* It represents short-term loan to support related parties to pay expenses for the implementation of the water supply system project which earns interest at 10% p.a.

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 2022 are unsecured (except bond at Note 16.2), interest free and will be settled in cash. For the year ended 31 December 2022 and 31 December 2021, the Group has not made any provision for doubtful receivables relating to amounts owed by its 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.

Transactions with other related parties

Remuneration of members of the Board of Directors and management:

VND

Individuals	Position	Current year	Previous year
<b>Remuneration of the Board of Directors</b>		<b>9,810,000,000</b>	<b>7,040,000,000</b>
Madam Nguyen Thi Mai Thanh	Chairwoman	4,230,000,000	3,600,000,000
Mr Alain Xavier Cany	Vice Chairman	1,740,000,000	630,000,000
Mr Benjamin Herrenden Birks (resigned on 30 March 2021)	Vice Chairman	-	180,000,000
Mr Huynh Thanh Hai	Member	120,000,000	320,000,000
Mr Nguyen Ngoc Thai Binh	Member	120,000,000	450,000,000
Mr Dang Hong Tan (resigned on 31 March 2022)	Member	120,000,000	780,000,000
Mr Stephen Patrick Gore	Member	1,020,000,000	450,000,000
Mr Do Le Hung	Member	1,560,000,000	630,000,000
Mr Mark Andrew Hutchinson (appointed on 31 March 2022)	Member	900,000,000	-
<b>Salaries of Management</b>		<b>8,120,460,000</b>	<b>9,524,520,000</b>
Mr Huynh Thanh Hai	General Director	3,600,000,000	3,600,000,000
Mr Nguyen Ngoc Thai Binh	Deputy General Director	2,184,000,000	1,911,000,000
Mr Nguyen Quang Quyen	Deputy General Director	2,184,000,000	2,184,000,000
Mr Pham Quoc Thang (resigned on 8 February 2022)	Deputy General Director	152,460,000	1,829,520,000
<b>Bonus of Management</b>		<b>14,409,700,000</b>	<b>3,032,222,220</b>
<b>TOTAL</b>		<b>32,340,160,000</b>	<b>19,596,742,220</b>

## 35. Commitments

### 35.1 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	20,295,701,051	11,962,092,176
From one to five years	23,737,099,730	1,846,246,191
Over five years	3,305,177,699	3,391,779,044
<b>TOTAL</b>	<b>47,337,978,480</b>	<b>17,200,117,411</b>

### 35.2 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	789,568,915,996	752,052,189,104
From one to five years	1,060,379,307,075	1,162,911,518,170
Over five years	1,328,675,287,021	267,606,669,789
<b>TOTAL</b>	<b>3,178,623,510,092</b>	<b>2,182,570,377,063</b>

### 35.3 Capital expenditure commitments

As at 31 December 2022, the Group had commitments of VND 967,114,989,458 principally relating to construction and development the Group's projects in wind power, hydropower and office for lease.

### 35.4 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

## 36. 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.

The segment results for the year ended 31 December 2022 are as follows:

	VND				
	Mechanical and refrigeration electrical engineering	Real estate and office leasing	Electricity	Water	Consolidated
<i>Sales</i>					
Total segment sales	3,194,651,498,976	1,195,158,576,077	5,375,433,093,975	154,361,378,049	9,919,604,547,077
Inter-segment sales	(378,365,895,791)	(158,557,243,723)	(10,576,268,860)	(177,361,377)	(547,676,769,751)
<b>TOTAL</b>	<b>2,816,285,603,185</b>	<b>1,036,601,332,354</b>	<b>5,364,856,825,115</b>	<b>154,184,016,672</b>	<b>9,371,927,777,326</b>
<i>Results</i>					
Segment profit after tax (*)	144,505,194,530	593,513,132,449	2,456,537,538,436	345,413,387,370	3,539,969,252,785
Unallocated profit after tax					(24,592,277,620)
<b>Total profit after tax</b>					<b>3,515,376,975,165</b>
<i>Of which:</i>					
<i>Parent company</i>					
Segment profit after tax	132,934,528,940	578,978,806,619	1,666,090,133,569	339,105,398,910	2,717,108,868,038
Unallocated profit after tax					(24,592,277,620)
Non-controlling interest	11,570,665,590	14,534,325,830	790,447,404,867	6,307,988,460	822,860,384,747

The segment assets and liabilities for as at 31 December 2022 are as follows:

Segment assets	3,049,184,171,703	3,283,395,325,546	23,678,125,576,983	2,569,372,207,546	32,580,077,281,778
Unallocated assets					1,334,479,451,730
<b>TOTAL ASSETS</b>					<b>33,914,556,733,508</b>
Segment liabilities	2,413,046,398,855	822,672,433,748	9,474,327,560,519	70,248,591,259	12,780,294,984,381
Unallocated liabilities					1,930,569,136,389
<b>TOTAL LIABILITIES</b>					<b>14,710,864,120,770</b>

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

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
<i>Sales</i>					
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)
<b>TOTAL</b>	<b>1,816,449,834,485</b>	<b>938,213,109,421</b>	<b>2,963,000,143,871</b>	<b>92,147,841,044</b>	<b>5,809,810,928,821</b>
<i>Results</i>					
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)
<b>Total profit after tax</b>					<b>2,135,410,247,248</b>
<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	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
Unallocated assets					1,057,962,165,856
<b>TOTAL ASSETS</b>					<b>31,827,003,374,458</b>
Segment liabilities	1,900,031,356,801	862,566,326,433	10,354,278,902,971	245,262,607,242	13,362,139,193,447
Unallocated liabilities					2,106,987,127,387
<b>TOTAL LIABILITIES</b>					<b>15,469,126,320,834</b>

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

## 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.
- On 11 May 2022, VSH received letter No. 571/VIAC dated 6 May 2022, VIAC notifying the timetable of proceedings to resolve the case 76/19HCM, clearly stating the expected time to open the hearing from 15 to 19 September 2022.
- On 2 June 2022, VSH Representative sent letter number VIAC 76/19HCM/VSH-TNNT/VN-YK-571/VIAC, stating VSH's opinions and objections to letter 571/VIAC.
- On 16 September 2022, VSH received the final decision dated 14 September 2022 of the Arbitration Council 76/19HCM to settle the lawsuit No. VIAC 76/19HCM. Under this ruling, VSH must:
  - To pay to the Contractors' Consortium the legal costs incurred by the Contractors' Consortium in the case 76/19HCM which is 933,112.18 USD; and
  - Reimbursement of the contractor combination for arbitration fees and costs for the adjudication of the case 76/19HCM is VND 6,481,850,508.
- On 6 October 2022, VSH has fulfilled all its obligations and responsibilities to the consortium of contractors according to the judgment of 14 September 2022. On 7 October 2022, the representative of the consortium The contractor confirms that he has received the full amount that VSH must pay to the Contractors Group according to the judgment dated 14 September 2022.
- By 31 December 2022, the case 76/19HCM has ended. VSH has fulfilled all its obligations and responsibilities to the Contractors Consortium in accordance with the judgment dated 14 September 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 30 November 2020, the lawsuit was accepted by Binh Dinh People's Court.
- On 17 December 2020, Binh Dinh Court sent a notice of payment of fees for judicial entrustment, VSH submitted.
- 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.
- On 6 August 2021, submit to the Court an Opinion dismissing the court's intention to suspend the case.
- On 21 June 2022, the court issued Summons No. 3631/GTT to summon the Company to the Court to work on the case. The company contacted and worked with the Binh Dinh Court on this incident.
- On 26 September 2022, filed a written withdrawal of his entire lawsuit claim in the case 04-2020/TLST-KDTM at the People's Court of Binh Dinh province.
- On 28 September 2022, the People's Court of Binh Dinh province issued Decision No. 07/2022/QĐST-KDTM on the suspension of the settlement of the lawsuit No. 04/2020/TLST-KDTM.
- As of 31 December 2022, the lawsuit between VSH and the contractor complex at the People's Court of Binh Dinh province has ended. VSH does not incur any responsibility or obligation to the contractor group in this lawsuit.

### 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 case has not yet gone to trial. 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

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



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3 March 2023

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