

2023

BÁO CÁO THƯỜNG NIÊN

ANNUAL REPORT



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Abbreviations

Abbreviation	Full name	Abbreviation	Full name
bn.	billion	LNG	Liquefied natural gas
BOD	Board of Directors	M&A	Mergers & Acquisitions
CGM	Competitive Generation Market	M&E	Mechanical & Electrical Engineering
Co., Ltd.	Company Limited	MEPF	Mechanical, Electrical, Plumbing & Fire Protection
COD	Commercial Operating Date	MW	Megawatt
EPC	Engineering, Procurement and Construction	MWp	Megawatt peak
ESG	Environmental - Social - Governance	p.a	per annum
EVN	Vietnam Electricity	PDP 8	Vietnam's Eighth National Power Development Plan
FIT	Feed-in-tariff	Pte. Ltd.	Private Limited
FMP	Full Market Price	ROA	Return on Assets
GJ	Gigajoule	ROE	Return on Equity
HCMC	Ho Chi Minh City	SOE	State-owned enterprise
JSC	Joint Stock Company	SOFR	Secured Overnight Financing Rate
kWh	Kilowatt-hour		

Icons



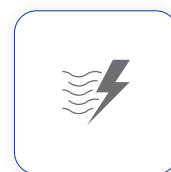
Energy sector



Hydropower



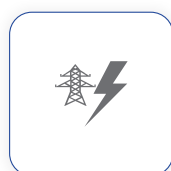
Coal thermal power



Wind power



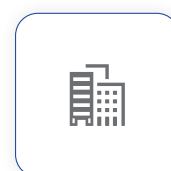
Solar power



Electricity distribution



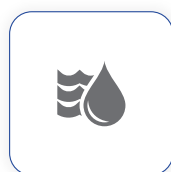
M&E services sector



Real estate sector



Water & Environment sector



Water treatment

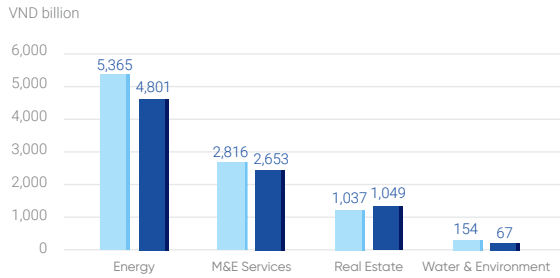


Water distribution

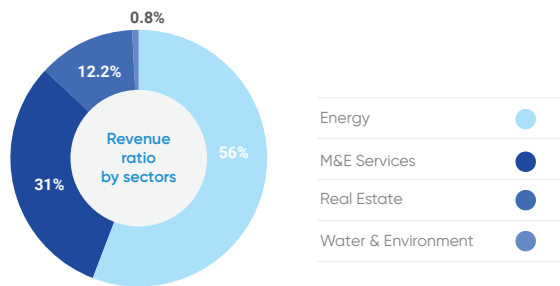
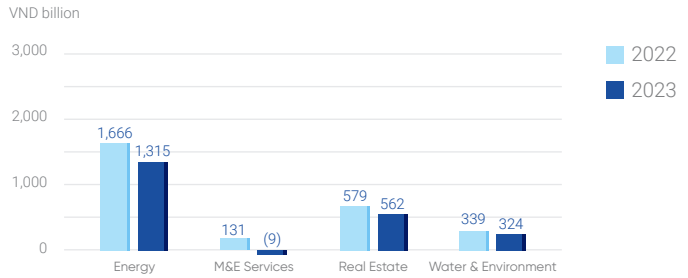
REE through numbers

The Group

Revenue



Profit After Tax



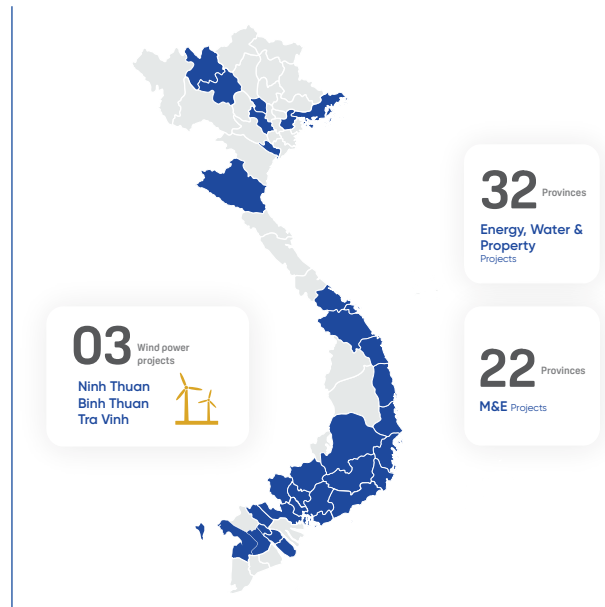
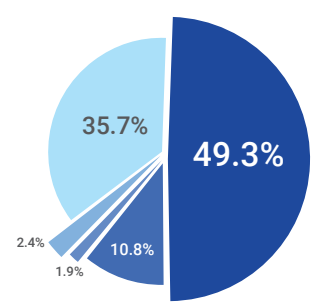
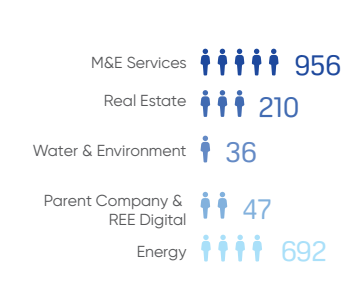
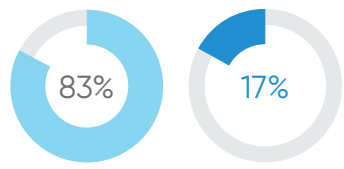
Total revenue
8,570 VND billion

Total profit after tax
2,188 VND billion

Headcount

1,941 employees

1,611 330

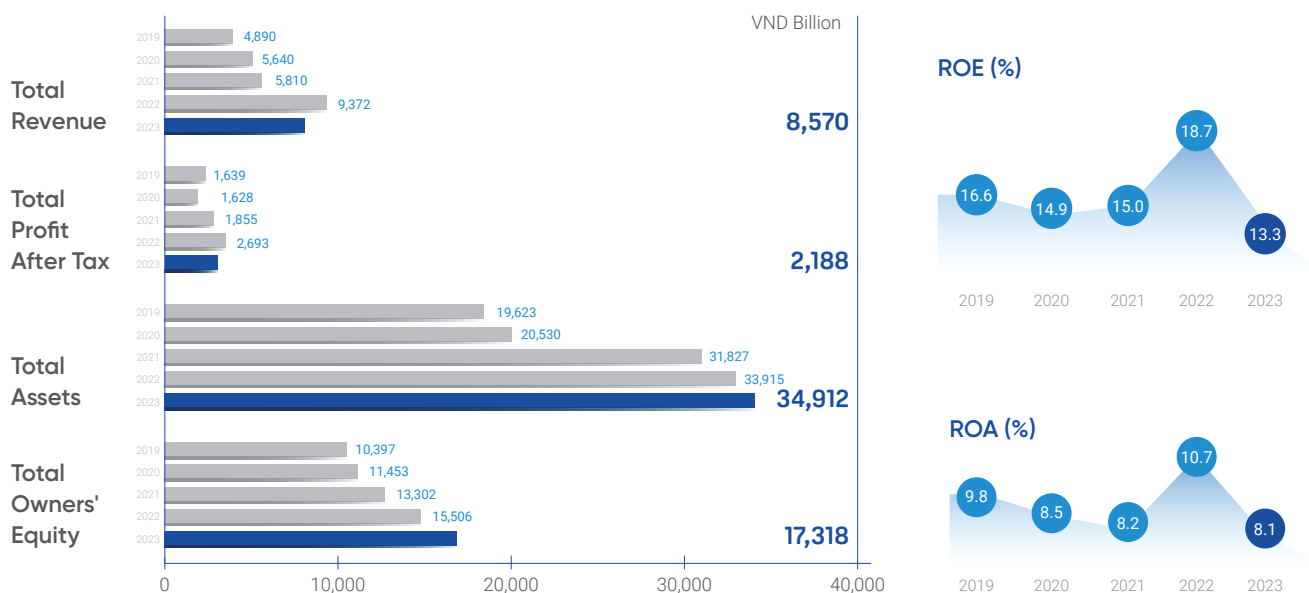


Corporate Social Responsibility

Talent Development

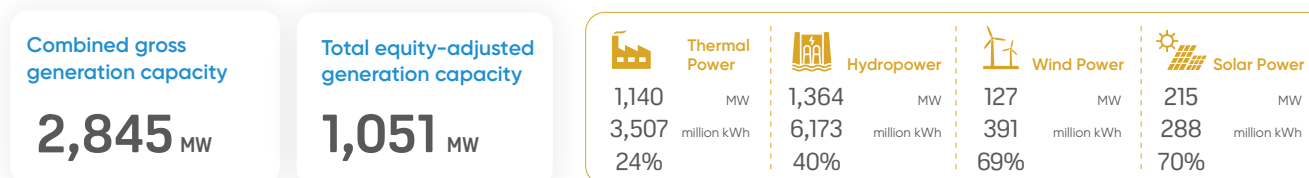
- Leadership Competency Manuals
- "Shape up Business" Project
- Training and development activities
- Human Resource Management System
- Town Hall Meeting

Financial performance

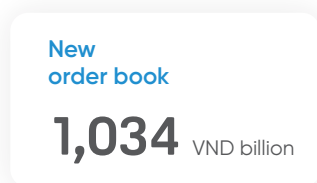


Energy

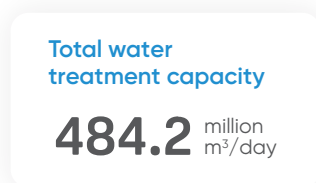
EQUITY-ADJUSTED CAPACITY, POWER OUTPUT AND CAPACITY FACTOR



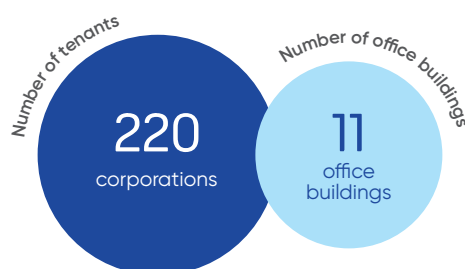
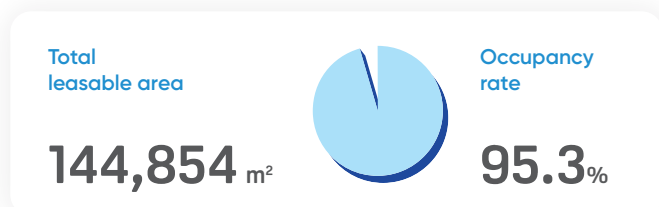
M&E Services



Water & Environment



Real Estate



Message from the Chairwoman

“

2023 marks an important milestone: the 30th anniversary of REE’s equitisation on 25 December 1993. The story of 46 years of establishment and 30 years of equitisation in REE’s development and growth is one of a journey filled with excitement, exploration, breakthroughs, practice, experience, silent tears shed from failures, joyous laughter, and reflections for the future.

Throughout this journey, two generations have passed, and now a third generation is taking the reins. All are directed towards one goal: building REE into a company that, though not large in scale, must be excellent, a place where REE’s people will always serve the common good and take pride in their achievements. You have nurtured your commitment, steadfastly executed REE’s development strategy, and achieved success. On this occasion, I want to express my deep gratitude and appreciation to all those who have contributed to the development of REE.

In the span of 30 impactful years, our company has moved in step with the heartbeat of the country’s economy, actively responding to renovation policies, and embracing the essence of Vietnam – an indispensable driving force for REE’s future journey. REE has been the pioneer in equitisation, issuing convertible bonds and listing on the Vietnam Stock Exchange.

During these 30 years of voyage, our proverbial ship has weathered many storms: the regional economic crisis in 1998, the global financial crisis of 2009, and the Covid-19 pandemic. However, the REE team has firmly steered the ship, overcoming challenges and moving forward.

Today, REE continues to focus on three main areas: Mechanical and Electrical Construction; Commercial and Office Real estate; Renewable Energy, Clean Water and Environment. We will continue to strengthen our capabilities, adapt to technological trends, unpredictable global economic fluctuations, and affirm REE’s position in all three areas – leading and contributing to the development of Vietnam’s economy and bettering the lives of our people.

Dear Shareholders and Investors,

As we turn the page on 2023, it is with a sense of both reflection and anticipation that we present this annual report. The past year was a study in contrasts, marked by global economic headwinds, shifting climatic landscape, and adaptive resilience in the face of uncertainty. Through it all, REE Group remained a force of stability and progress, echoing the pioneering spirit that has defined REE's journey.

The energy sector faced a stark shift from the bountiful hydrological conditions of 2022 to the effects of El Nino in 2023. This resulted in a decrease of 8.67% in our energy output compared to the previous year, further impacted by a drop in revenue from our reduced participation in the competitive generation market. However, it is crucial to emphasise that despite these hurdles, REE Energy's performance remained robust, contributing to 56% of the Group's profit after tax. We have proactively diversified our energy portfolio, with renewable energy remaining at the forefront of REE's investment strategy.

REE's water treatment plants continued to provide a consistent and reliable supply of clean water to major cities like Ho Chi Minh City and Hanoi throughout 2023. Phase 2 investment in Song Da Water Treatment Plant progressed according to plan, with several elements entering full operation and contributing to increased capacity. While the depreciation of these newly operational elements from Song Da Phase 2 impacted the water sector's immediate profitability, we remain confident that authority approval for a new water price, currently under consideration, will be secured in the near future. This adjustment will ensure the project's financial sustainability and pave the way for further expansion in the water sector, delivering long-term benefits for our stakeholders, including the communities that REE serves.

The commercial office segment maintained its robust performance in 2023, with occupancy rates exceeding 95% and rental income remaining stable. This demonstrates the continued high demand for REE's well-developed and managed office spaces. e.town 6 will bring an additional 36,800 m² of premier-grade office space to our Cong Hoa campus and is currently in its final stages of completion. The Light Square Thai Binh project marked REE's entry into residential projects. A slight delay in completion meant finalisation coincided with the Lunar New Year holiday, leading to a deferral in revenue recognition. We are confident that these projects will deliver significant value in the coming year.

The M&E sector continued to face significant challenges in 2023, primarily due to the slowdown in the construction and real estate sectors. Although the volume of new contracts reached a certain level, prudent application of bad debt provisions in accordance with standard practice led to the sector's revenue being essentially neutralised, exposing financial vulnerabilities. While this is a setback, REE sees it as an opportunity for learning and adaptation. We are rigorously re-evaluating our project bidding and risk management strategies to ensure financial stability and future success in this critical sector.

Despite the contrasting results across sectors, we remain steadfast in our commitment to growing REE's capacity and securing its long-term success. REE Group understands that developing new projects and expanding existing assets in energy, water, and real estate is paramount for future growth. While progress in 2023 fell short of initial expectations, the company is making strategic adjustments to accelerate efforts in the coming year. REE will continue to direct key financial and human resources towards the critical goal of increasing our capacity in energy, water, and real estate.

Maintaining a competitive edge in today's dynamic market requires constant improvement. In 2023, REE Group focused on streamlining business processes, implementing rigorous cost-control measures, and optimising cash flow management across all operations. This resulted in significant cost savings and improved financial agility, efforts the company intends to continue and build upon in 2024. Additionally, we continued our digital transformation journey, leveraging technology to enhance efficiency, automate processes, and gain valuable insights from data analytics.

While 2023 presented its share of challenges, REE Group faced them with resilience, adaptability, and a forward-thinking approach. We are confident that REE's strong financial position, diverse portfolio, and talented workforce will continue to propel the company forward. We are deeply grateful for the unwavering support of our employees, shareholders, and stakeholders. Together, REE Group embraces the future with confidence, knowing that the company's commitment to responsible growth, operational excellence, and technological innovation will ensure a bright future for REE.



Chairwoman
Nguyen Thi Mai Thanh





01

Corporate Information

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General Information

Company name Refrigeration Electrical Engineering Corporation

Abbreviated name REE Corp.

Stock code REE

Enterprise registration No. 0300741143

Charter capital VND 4,097,142,600,000

Head office 364 Cong Hoa, Ward 13,
Tan Binh District,
Ho Chi Minh City, Vietnam

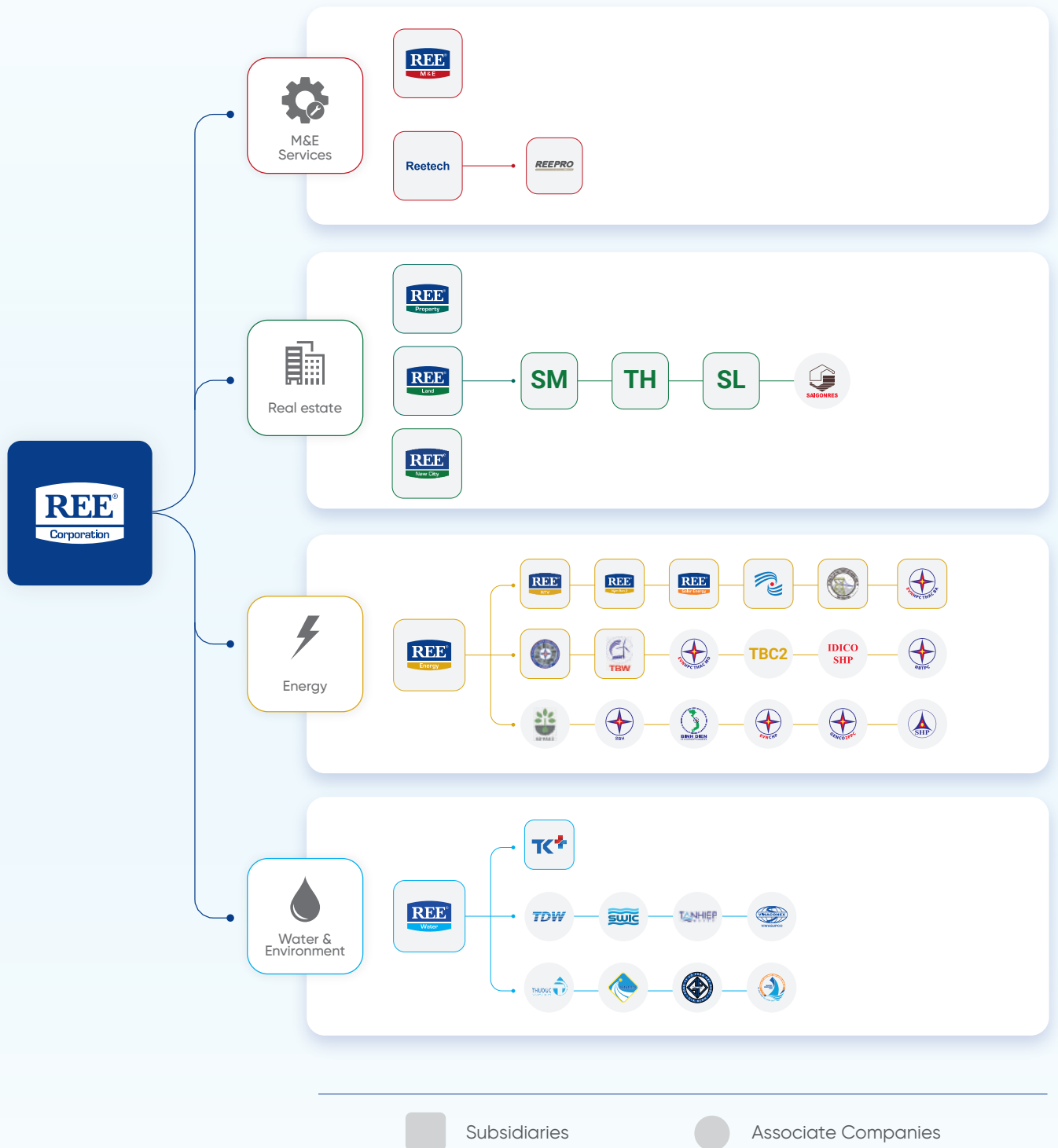
Telephone (+84) 28 3810 0017

Fax (+84) 28 3810 0337

Email ree@reecorp.com

Website www.reecorp.com

Group Structure



Subsidiaries & Associate Companies



M&E Services



REE M&E

R.E.E MECHANICAL ELECTRICAL
ENGINEERING JSC

91.04%

📍 HCMC
⚙️ Nationwide

Charter capital
165 bn VND

Reetech

Reetech

R.E.E ELECTRICAL APPLIANCES
JSC

99.99%

📍 HCMC
⚙️ Nationwide

Charter capital
150 bn VND

REEPRO

REEPRO

REEPRO SERVICE & MANUFACTURING
COMPANY LIMITED

99.99%

📍 HCMC
⚙️ Nationwide

Charter capital
50 bn VND



Real estate



REE Property

R.E.E REAL ESTATE
COMPANY LIMITED

100%

📍 HCMC
🏠 Nationwide

Charter capital
6 bn VND



REE Land

REE LAND COMPANY LIMITED

100%

📍 HCMC
🏠 Nationwide

Charter capital
912 bn VND



NewCity

REE NEW CITY REAL ESTATE

99.99%

📍 HCMC
🏠 Nationwide

Charter capital
200 bn VND



SongMai

SONG MAI REAL ESTATE JSC

73.99%

📍 HCMC
🏠 Nationwide

Charter capital
300 bn VND



TanHai

TAN HAI REAL ESTATE JSC

99.99%

📍 HCMC
🏠 Nationwide

Charter capital
50 bn VND



SongLong

SONG LONG REAL ESTATE JSC

70.0%

📍 HCMC
🏠 Nationwide

Charter capital
5 bn VND



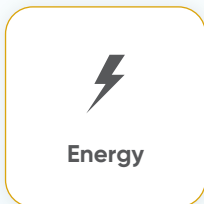
SGR

SAIGON REAL ESTATE JSC

28.9%

📍 HCMC
🏠 Nationwide

Charter capital
600 bn VND



REE Energy
REE ENERGY COMPANY LIMITED

100% HCMC **Charter capital**
 Nationwide 7,248 bn VND

REE RTV
REE TRA VINH WIND POWER JSC

100% TRA VINH **Charter capital**
 48 MW 868 bn VND

REE Nam Ben 2
INDOCHINA ELECTRICITY DEVELOPMENT JSC

100% LAI CHAU **Charter capital**
 22 MW 203 bn VND

REE Solar Energy
REE SOLAR ENERGY HOLDINGS

100% HCMC **Charter capital**
 118.5 MWp 600 bn VND

MHP
MUONG HUM HYDROPOWER JSC

79.9% LAO CAI **Charter capital**
 35 MW 508 bn VND

DTV
TRA VINH ELECTRIC DEVELOPMENT JSC

66.3% TRA VINH **Charter capital**
53 bn VND

TBC
THAC BA HYDROPOWER JSC

60.42% YEN BAI **Charter capital**
 120 MW 635 bn VND

VSH
VINH SON - SONG HINH HYDROPOWER JSC

52.58% KON TUM **Charter capital**
 356 MW 2,362 bn VND

TBW
THUAN BINH WIND POWER JSC

50.0% BINH THUAN **Charter capital**
 78 MW 500 bn VND

TMP
THAC MO HYDROPOWER JSC

42.6% BINH PHUOC **Charter capital**
 170 MW 50 MWp 700 bn VND

TBC2 **TBC2**
THAC BA 2 HYDROPOWER JSC

35.6% YEN BAI **Charter capital**
 18.9 MW 173 bn VND

IDICO SHP **ISH**
IDICO - SROK PHU MIENG HYDROPOWER JSC

34.3% BINH PHUOC **Charter capital**
 51 MW 450 bn VND


NBP
NINH BINH THERMAL POWER JSC

29.5% NINH BINH **Charter capital**
 100 MW 129 bn VND

SP2
SU PAN 2 HYDROPOWER JSC

28.9% LAO CAI **Charter capital**
 34.5 MW 206 bn VND




 **SBH**
SONG BA HA HYDROPOWER JSC

25.8%

PHU YEN
220 MW

Charter capital
1,242 bn VND

 **BDH**
BINH DIEN HYDROPOWER JSC

25.5%

THUA THIEN HUE
44 MW

Charter capital
155 bn VND

 **CHP**
MIEN TRUNG HYDROPOWER JSC

24.2%

THUA THIEN HUE
170 MW
50 MWp


Charter capital
1,469 bn VND

 **PPC**
PHA LAI THERMAL POWER JSC

23.5%

HAI DUONG
1,040 MW


Charter capital
3,262 bn VND

 **SHP**
MIEN NAM HYDROPOWER JSC

11.1%

LAM DONG
123 MW


Charter capital
1,012 bn VND

 **REE Water**
REE WATER COMPANY LIMITED

100%

HCMC


Charter capital
1,630 bn VND

 **TK Cong**
TK PLUS COMPANY LIMITED

65.0%

HCMC
Nationwide


Charter capital
12 bn VND

 **B.O.O THU ĐUC**
B.O.O THU DUC WATER JSC

42.1%

HCMC
300,000 m³/day

Charter capital
558 bn VND

 **TDW**
TAN HIEP CLEAN WATER INVESTMENT JSC

44.2%

HCMC
298,087 m³/day


Charter capital
85 bn VND

 **SWIC**
SAIGON CLEAN WATER BUSINESS & INVESTMENT JSC

40.0%

HCMC
300,000 m³/day

Charter capital
150 bn VND

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

43.9%

KHANH HOA
267,768 m³/day


Charter capital
286 bn VND

 **THW**
TAN HIEP CLEAN WATER INVESTMENT JSC

32.0%

HCMC
300,000 m³/day

Charter capital
240 bn VND

 **NBW**
NHA BE WATER SUPPLY JSC

20.0%

HCMC
199,100 m³/day


Charter capital
109 bn VND

 **VCW**
SONG DA WATER INVESTMENT JSC

35.95%

HOA BINH
300,000 m³/day

Charter capital
750 bn VND

 **GDW**
GIA DINH WATER SUPPLY JSC

20.1%

HCMC
147,924 m³/day

Charter capital
95 bn VND

Top Awards



Forbes

Top 50 Best Listed Companies



Vietnam Report

Top 5 M&E Contractors-Reputation Award



Vietnam Report

Vietnam Top 50 Public Companies



Vietnam Report

Top 500 Largest Companies In Vietnam



Nhịp Cầu Đầu Tư

Vietnam's 50 Best- Performing Companies



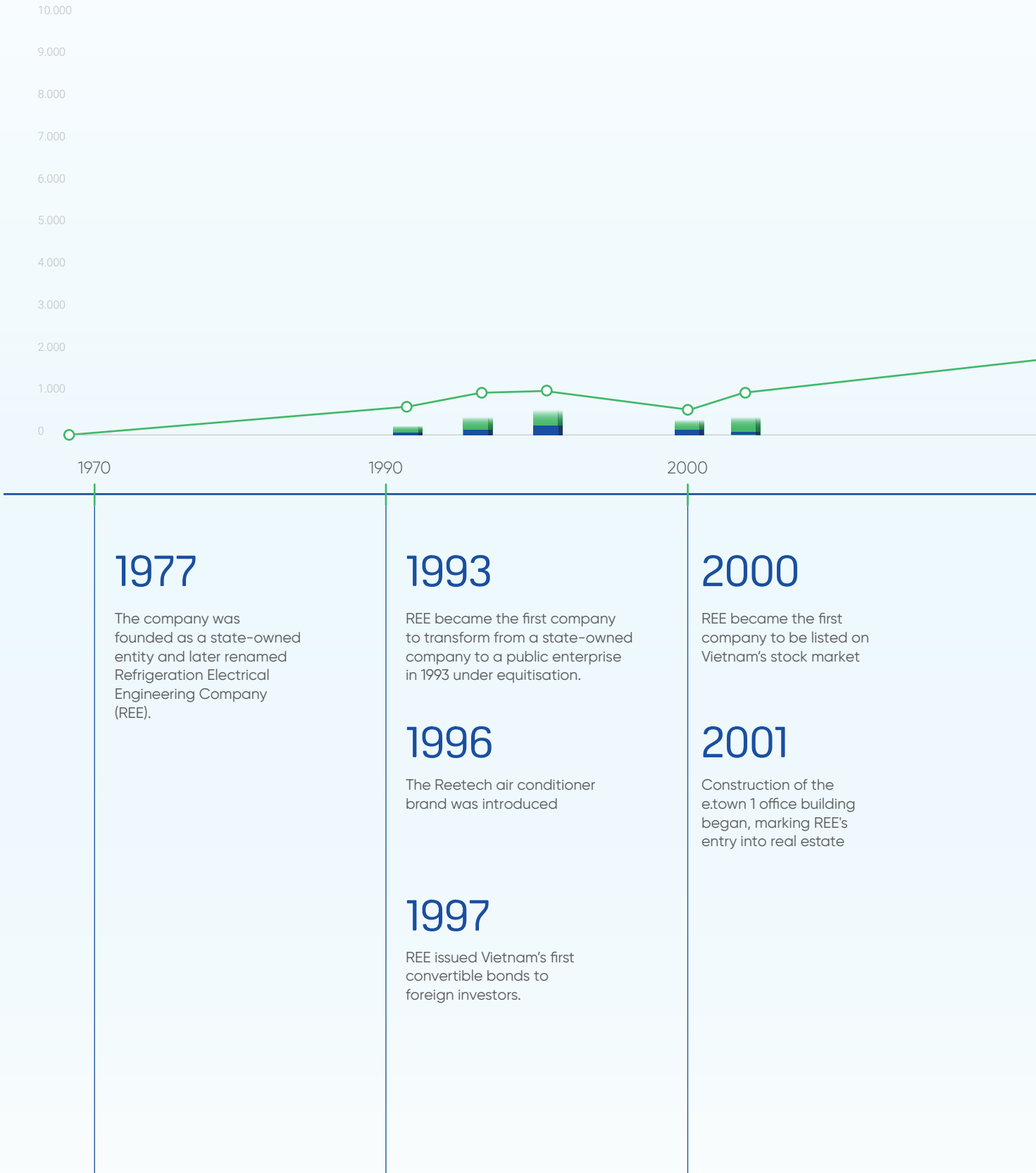
Vietnam High Quality Product

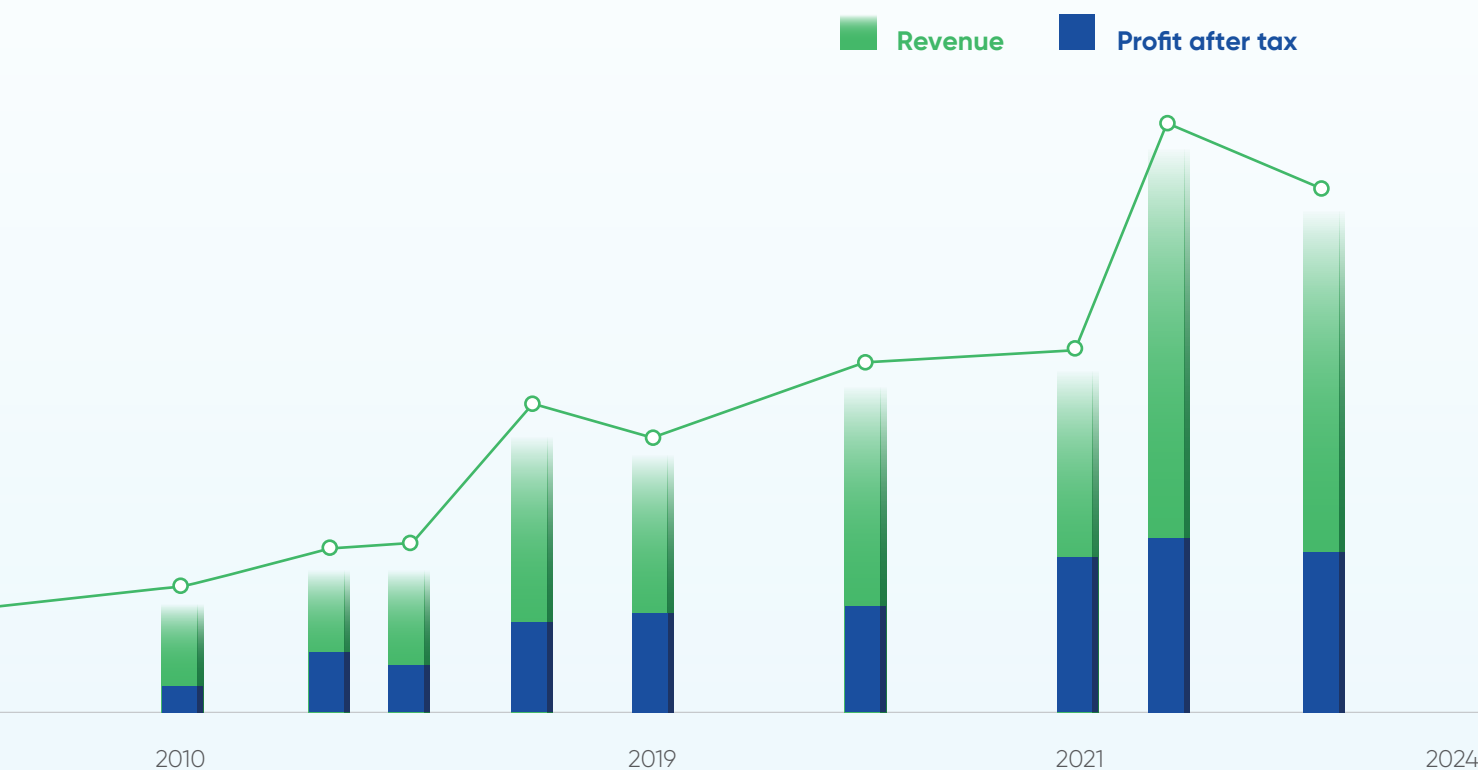


Anphabe

Vietnam's Top 100 Best Places to Work

46 Years Of Establishment & 30 Years Of Sustainable Development





2010

Expanded into the Energy sector

2014

Thac Ba Hydropower JSC became a subsidiary

2015

REE completed the conversion of bonds issued to Platinum Victory Pte.Ltd. in 2012, a 100% owned subsidiary of Jardine Cycle & Carriage

2017

REE office portfolio's leasable area increased by 34,000 m² from e.town Central office building

2019

REE's takeover of Tra Vinh V1-3 wind power project and REE Solar Energy's incorporation marked the company's entry into the renewable energy sector

2020

REE completed the Group's restructuring into holding company model.
The launch of e.town 5 brought total leasable area to 145,000 m²

2021

Thuong Kon Tum Hydropower Plant, and Tra Vinh V1-3, Phu Lac 2 and Loi Hai 2 wind farms began commercial operation.

Vinh Son - Song Hinh Hydropower JSC became a subsidiary

2022

REE Digital established to operate in technology and digital transformation.

2023

REE New City Real Estate JSC became a subsidiary

Management Team

Board of Directors

Mr.
Alain Xavier Cany

Non-executive Vice Chairman
Appointment: 2021



Education

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

Experience

- 2007 – 2023: 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

Ms.
Nguyen Thi Mai Thanh

Chairwoman
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 REE Enterprise
- 1982 – 1987: Deputy Director of Refrigeration Electrical Engineering Enterprise (“REE Enterprise”)

Ms.
Hsu Hai Yeh

Non-executive Director
Appointment: 2023



Education

- New York University Stern School of Business – Finance & CPA Accounting
- Stanford Graduate School of Business – completed Stanford Executive Program

Experience

- 2022 – present: Group Finance Director of Jardine Cycle & Carriage
- 2020 – 2022: Chief Financial Officer of Jardine International Motors
- 2016 – 2020: Regional Finance Director of IKEA – Daily Farm Group
- 2014 – 2015: Corporate Finance Manager of Jardine Matheson

Mr.
Huynh Thanh Hai

Executive Director
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

Mr.
Mark Andrew Hutchinson

Independent Director
Appointment: 2022



Education

- Master in Public Policy – Energy and Environmental Regulation (Harvard Kennedy School, Harvard University, USA)
- Bachelor 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

Mr.
Nguyen Ngoc Thai Binh

Executive Director
Appointment: 2007



Education

Master of Business Administration (University of Hawaii, US)

Experience

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

Mr.
Do Le Hung

Independent Director
Appointment: 2021



Education

- Master Degree of National Administration School (France)
- Bachelor of Hanoi University of Finance and Accounting

Experience

- Mar 2021 – present: Independent Director cum Head of the Audit Committee of REE Corporation
- Sep 2019 – present: Independent Director, Chairman of the Audit Committee of An Gia Real Estate Investment and Development Corporation, and South Logistics JSC
- Jun 2019 – present: Independent Director, Chairman of the Audit Committee of DHG Pharmaceutical JSC
- Apr 2017 – present: Independent Director cum Head of the Audit Committee of Vietnam Dairy Products JSC

Management team

Board of Management

Mr.
Huynh Thanh Hai

General Director
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

Mr.
Nguyen Ngoc Thai Binh

Deputy General Director
Appointment: 2020



Education

Master of Business Administration (University of Hawaii, US)

Experience

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



Mr.
Nguyen Quang Quyen

Deputy General Director
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 of REE Corporation

Ms.
Ho Tran Dieu Lynh

Chief Accountant
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 Corporation.



Shareholders & Shareholdings

Charter Capital
4,097,142,600,000 VND

Number of listed shares	Number of treasury shares
409,714,260 shares	1,007,915 shares
Number of outstanding shares	Par value
408,706,345 shares	10,000 VND

Charter capital increase during the 2013 - 2023 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 REE-CB2012 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 REE-CB2012 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 REE-CB2012 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	FY 2015 share dividend issue	Existing shareholders	2,696,168,100,000	404,420,310,000	3,100,588,410,000
18 May 2022	FY 2021 share dividend issue	Existing shareholders	3,100,588,410,000	463,516,430,000	3,564,104,840,000
22 May 2023	FY 2022 share dividend issue	Existing shareholders	3,564,104,840,000	533,037,760,000	4,097,142,600,000

Shareholding structure

By geography	1 March 2024			1 March 2023		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Local	19,728	208,956,272	51.0	16,472	181,769,347	51.0
Individuals	19,593	160,842,142	39.3	16,343	121,340,485	34.0
Institutions	135	48,114,130	11.7	129	60,428,862	17.0
Foreign	470	200,757,988	49.0	486	174,641,137	49.0
Individuals	397	1,112,912	0.3	405	1,217,506	0.3
Institutions	73	199,645,076	48.7	81	173,423,631	48.7
Total	20,198	409,714,260	100.0	16,958	356,410,484	100.0

By type	1 March 2024			1 March 2023		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Major shareholders (over 5%)	5	257,050,094	62.7	6	226,720,182	63.6
State-owned (HFIC)	1	21,612,227	5.3	1	18,793,241	5.3
Local	2	72,242,865	17.6	2	50,652,884	14.2
Foreign	2	163,195,002	39.8	3	157,274,057	44.1
Others	20,193	152,664,166	37.3%	16,952	129,690,302	36.4
Local	19,725	115,101,180	28.1	16,469	112,323,222	31.5
Individuals	19,591	88,599,277	21.6	16,341	70,687,601	19.8
Institutions	134	26,501,903	6.5	128	41,635,621	11.7
Foreign	468	37,562,986	9.2	483	17,367,080	4.9
Individuals	397	1,112,912	0.3	405	1,217,506	0.3
Institutions	71	36,450,074	8.9	78	16,149,574	4.5
Total	20,198	409,714,260	100.0	16,958	356,410,484	100.0

Shareholding structure	1 March 2024			1 March 2023		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
Platinum Victory Pte Ltd	1	142,638,514	34.8	1	119,557,466	33.5
Nguyen Thi Mai Thanh	1	49,874,019	12.2	1	43,368,713	12.2
Nguyen Ngoc Hai	1	22,368,846	5.5	1	19,451,171	5.5
State-owned (HFIC)	1	21,612,227	5.3	1	18,793,241	5.3
Apollo Asia Fund Ltd.	1	20,556,488	5.0	1	17,875,207	5.0
Others	20,193	152,664,166	37.3	16,953	137,364,686	38.5
Total	20,198	409,714,260	100.0	16,958	356,410,484	100.0

Share transactions of Major shareholders, Internal shareholders and Related parties

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	%	
Platinum Victory Pte. Ltd	Related parties to Mr. Alain Xavier Cany - Vice Chairman of the BOD	119,557,466	33.64%	142,638,514	34.89%	Ownership increase and dividend received in 2022

Treasury share transaction

In 2023, REE neither purchased nor sold treasury shares.

- Number of treasury shares as at 1 January 2023: 1,007,915 shares.
- Number of treasury shares as at 31 December 2023: 1,007,915 shares.



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2023 Business Results

Consolidated revenue reached VND 8,570 billion, down 8.6% compared to the same period in 2022, and profit after tax reached VND 2,188 billion, down 18.8% compared to the same period, achieving only 81% of the year's budget.

Dear Shareholders and Investors,

2023 was a year of great challenges for REE Group's business segments due to strong fluctuations in the economy and business environment. The business results for the past year could not meet the profit after tax expectations, and the capacity expansion development plan also progressed slower than the set roadmap.

Specifically, in 2023, REE recorded:

- Consolidated revenue reached VND 8,570 billion, down 8.6% compared to the same period in 2022, and profit after tax reached VND 2,188 billion, down 18.8% compared to the same period, achieving only 81% of the year's budget, whereby:
 - » The Energy sector contributed the highest proportion to the Group's total revenue and profit. Revenue in 2023 of this sector reached VND 4,801 billion, down 10.5% year-over-year (YoY), achieving 92.4% of the year's target. Profit after tax of the Energy sector in 2023 reached VND 1,315 billion, down 21.1% YoY, achieving 97.4% of the year's plan. In 2023, the total commercial electricity output was recorded at 10,358 million kWh, down 8.67% compared to the previous year, mainly due to (i) unfavourable hydrological conditions for hydropower plants in all three regions, and (ii) a significant decrease in output participation in the competitive generation market compared to the same period in 2022.
 - » Throughout the year, the Water sector has provided steady output in accordance with wholesale contracts.
 - Song Da Water Treatment Plant has completed the commissioning of the new pipeline, ensuring uninterrupted water supply to Hanoi;
 - The licensing situation in 2023 saw no progress, leading to the delay in the progress of the Water segment's capacity expansion and environmental treatment projects.
 - » The Real Estate sector recorded stable revenue and profits in the office leasing segment, relative to the same period last year. However, the real estate development segment was unable to meet the year's targets. Wherein:
 - The office leasing segment recorded an occupancy rate of 95.3%, down 2.2% from 97.5% in the same period last year, however, rental price increased slightly;
 - The Bo Xuyen Ward Residential Area Project could not record revenue and profit in 2023 as planned due to the delay in granting the Sales Permit until early 2024.
- » The activities of the Mechanical and Electrical Engineering Services sector in 2023 continued to be influenced on one hand by the real estate market, which showed no signs of recovery, and on the other hand by internal capacity constraints, resulting in unfulfilled business targets. Government efforts to reduce interest rates, stimulate credit flows, boost public investment, and resolve legal project obstacles... still face certain lags before the effects truly spread to the economy and businesses. In this context, the M&E Services sector recorded decreased revenue due to the lack of incoming contracts as public infrastructure projects and private projects declined in quantity, and bidding prices remained non-competitive. Additionally, accounts receivable and bad debts increased due to unfavourable cash flow terms in developer contracts. Moreover, the management team's inefficient handling of payment documentation and a lack of proactiveness in suspending construction when developers breached payment schedules led to high provisioning for bad debt and neutralised profits. Poor business outcomes in 2023 posed a challenge for the M&E Services sector of the Group, requiring the exploration of new directions for future development.

In 2023, REE put into effect human resources development through training and implementing a human resources management software system. The recruitment and development of a young and talented successor team is in implementation simultaneously with activities to enhance engagement and benefits.

Progress has been made in the digital transformation process in the centralised management system for projects and commercial operations. The digital connection platform has been linked between member companies and users.

Unit: VND billion

Energy

	2023	2022	% change
Commercial power output (*) (million kWh)	10,358	11,341	-8.67%
Revenue (**)	4,801	5,365	-10.51%
Profit after tax (**)	1,315	1,666	-21.07%

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

In 2023, the Energy sector recorded a total commercial output of 10,358 million kWh, decreasing by 8.67% YoY. Revenue was VND 4,801 billion, 10.51% lower YoY, and profit after tax reached VND 1,315 billion, down 21.07% YoY. The biggest impacts to the business results of the Energy sector were the performance of the hydropower segment, which was affected by unfavourable hydrology across all three regions, and a 24% decrease in the electricity market price from the third quarter of 2023 compared to the same period in 2022. This is mainly due to (i) transitional wind and solar power projects, and BOT plants being prioritised for mobilisation (these are plants that do not directly participate in the competitive generation market) and (ii) excess supply in the power system during the rainy season having an impact on the electricity market price in the last months of 2023.

Hydropower



Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	6,173	7,082	-12.84%
Revenue	3,072	3,847	-20.14%
Profit after tax	1,037	1,443	-28.19%

The hydropower segment recorded a power output of 6,173 million kWh (equivalent to 59.59% of the total power output for the year), the largest contributor to the business results of the Energy sector. The hydropower segment recorded a decrease in business results compared to the same period in 2022, due to various difficulties such as (i) the ending of the La Nina phenomenon at the close of 2022, prolonged drought and dry season caused a sharp decrease in the water volume to reservoirs - especially in the Central and Southern regions, (ii) the proportion of output participating in the competitive generation market decreasing 8% compared to the same period, as well as the 30% drop in the electricity market price from the beginning of September 2023 compared to the average of the first months of the year.

Unit: VND billion

**Thac Ba
Hydropower JSC
(HOSE: TBC)**

	2023	2022	% change
Commercial power output (million kWh)	302	405	-25.49%
Revenue	266	498	-46.49%
Profit after tax	146	309	-52.85%

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

In 2023, the plant delivered a total commercial power output of 302 million kWh, down by 25.49% YoY, due to abnormal hydrological conditions in the Northern region whereby the plant had to operate in conditions below the dead water level on multiple occasions. Recorded revenue is VND 266 billion, a 46.49% reduction YoY. Profit after tax is VND 146 billion, down 52.85% YoY.

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 Q1 2025 and contribute an annual power output of circa 51.5 million kWh. The plant's electricity price tariff is expected to be calculated using the avoided cost tariff mechanism. The project's total investment cost is estimated to be VND 654 billion. Construction of TBC2 began in October 2022. At present, land compensation work for the main areas of plant construction has been completed. Within the construction contractor package, key items such as the plant foundation pit, right bank dam, upstream and downstream retaining walls. At the same time, in 2023, the selection of contractors for the remaining packages such as mechanical and electrical engineering, equipment, and insurance packages was completed. The construction progress is being accelerated, to put the plant into operation before December 2024.

Unit: VND billion

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

	2023	2022	% change
Commercial power output (million kWh)	2,194	2,586	-15.16%
Revenue	2,571	3,085	-16.66%
Profit after tax	994	1,264	-21.36%

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

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

In 2023, the commercial electricity output of Vinh Son, Song Hinh and Thuong Kon Tum plants reached 396 million kWh, 444 million kWh and 1,354 million kWh, respectively. The commercial power output of all three plants fell due to poor hydrology and the strong decrease in water flow from May 2023 onwards. Total electricity sales revenue in 2023 saw a 16.66% YoY reduction to VND 2,571 billion, while profit after tax dropped 21.36% to VND 994 billion.

Unit: VND billion

**Thac Mo
Hydropower JSC
(HOSE: TMP)**

Hydropower	2023	2022	% change
Commercial power output (million kWh)	732	860	-14.86%
Revenue	726	919	-21.05%
Profit after tax	419	544	-22.97%

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

- » 150 MW Thac Mo Hydropower Plant, situated on the first cascade along Be River (Binh Phuoc Province),
- » Two small hydropower plants with a total combined installed capacity of 20 MW, situated in Dak Lak and Lam Dong Province.

In 2023, total commercial power output of the Thac Mo hydropower plants reached 732 million kWh, down 14.86% YoY, due to prolonged drought in the southern provinces, particularly at Thac Mo lake, where dead water levels were recorded in May. Profit after tax in 2023 reached VND 419 billion, down 22.97% YoY.

Unit: VND billion

Solar power	2023	2022	% change
Commercial power output (million kWh)	76	72	5.42%
Revenue	128	119	7.92%
Profit after tax	27	15	80.24%

TMP also owns a 50 MWp ground-mounted solar farm in Binh Phuoc Province, which entered commercial operation in December 2020. The solar farm operates stably with a capacity factor of around 17%. Its commercial solar power output reached 76 million kWh in 2023, increasing 5.42% compared to 2022, and in turn driving up revenue and profit after tax 7.92% and 80.24%, respectively.

Unit: VND billion

**Muong Hum
Hydropower JSC
(MHP)**

	2023	2022	% change
Commercial power output (million kWh)	133	181	-26.29%
Revenue	177	228	-22.20%
Profit after tax	87	112	-22.32%

MHP has a 34.8 MW generation capacity, which includes 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 2023, the commercial power output was 133 million kWh and recorded power generation revenue was VND 177 billion, a decrease of 26.29% and 22.20% YoY respectively due to unfavourable hydrology. Profit after tax for 2023 was VND 87 billion, down 22.32% YoY.

Unit: VND billion

**Srok Phu Mieng IDICO
Hydropower JSC
(UPCOM: ISH)**

	2023	2022	% change
Commercial power output (million kWh)	254	280	-9.27%
Revenue	234	267	-12.39%
Profit after tax	93	113	-17.63%

ISH owns Srok Phu Mieng Hydropower Plant, which has a generation capacity of 51 MW and is situated on the third cascade of Be River (Binh Phuoc Province).

In 2023, commercial power output reached 254 million kWh, less 9.27% compared to the previous year, due to the influence of the adverse hydrological situation and the decrease in water volume from the upper cascade hydropower plant, Thac Mo Hydropower Plant. Profit after tax reached 93 billion VND, down 17.63%.

Unit: VND billion

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

	2023	2022	% change
Commercial power output (million kWh)	793	931	-14.80%
Revenue	962	1,143	-15.85%
Profit after tax	491	650	-24.50%

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

In 2023, the plant produced a commercial power output of 793 million kWh, down 14.8% YoY, affected by an abnormally prolonged period of low rainfall for the Central region, resulting in a minimal and unstable water flow. Therefore, revenue and profit after tax for 2023 were VND 962 billion and VND 491 billion respectively, a reduction of 15.85% and 24.50% YoY respectively.

Unit: VND billion

**Binh Dien
Hydropower JSC
(BDH)**

	2023	2022	% change
Commercial power output (million kWh)	210	240	-12.55%
Revenue	173	280	-38.21%
Profit after tax	89	180	-50.56%

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 2023, due to the unfavourable hydrological situation throughout the Central Provinces, especially in the third quarter, the whole year's commercial power output was 210 million kWh, down 12.55% YoY. Revenue and profit after taxes were VND 173 billion and VND 89 billion respectively.

Unit: VND billion

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

Hydropower	2023	2022	% change
Commercial power output (million kWh)	723	845	-14.49%
Revenue	704	926	-24.02%
Profit after tax	326	485	-32.70%

CHP owns A Luoi Hydropower Plant with a generation capacity of 170 MW, situated in Thua Thien Hue Province, and 62 MWp Cu Jut Solar Farm in Dak Nong Province.

In 2023, A Luoi Hydropower Plant generated a commercial power output of 723 million kWh, down by 14.49% YoY due to dry weather conditions and the resultant significant decrease in water flow compared to the yearly average.

Unit: VND billion

Solar farm	2023	2022	% change
Commercial power output (million kWh)	78	80	-2.59%
Revenue	177	174	1.77%
Profit after tax	12	25	-53.88%

Cu Jut Solar Power Plant recorded a commercial power output of 78 million kWh. The factory continues to have its capacity cut due to excess supply in the system, where the average curtailment ratio was 9%, compared to 5.96% YoY.

In 2023, CHP achieved a profit after tax of VND 338 billion, down by 34% YoY.

Unit: VND billion

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

	2023	2022	% change
Commercial power output (million kWh)	632	673	-6.09%
Revenue	661	746	-11.37%
Profit after tax	275	318	-13.43%

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 2023, SHP generated 632 million kWh in total commercial power output, down by 6.09% YoY due to unfavourable hydrological conditions in the South and lower market electricity tariff compared to 2022. Revenue and the profit after tax recorded were VND 661 billion and VND 275 billion, respectively.

Unit: VND billion

**Indochina Electricity
Development JSC
(IED)**

	2023	2022	% change
Commercial power output (million kWh)	72	81	-11.11%
Revenue	96	100	-4.50%
Profit after tax	22	16	35.63%

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 officially became a wholly owned subsidiary of REE Energy.

In 2023, the hydrological situation in Nam Ban stream basin was complicated with low rainfall and water flow to the lake significantly lower than the yearly average, particularly in the first half of 2023. Commercial power output was 72 million kWh, down 11.11% YoY. However, profit after tax reached VND 22 billion, an increase of 35.63% YoY thanks to effective saving and operating cost control.

Unit: VND billion

**Su Pan 2
Hydropower JSC
(UPCOM:SP2)**

	2023	2022	% change
Commercial power output (million kWh)	127	162	-21.6%
Revenue	151	196	-23.0%
Profit after tax	27	56	-51.79%

SP2 owns a plant with a capacity of 34.5 MW, located in Sa Pa City, Lao Cai Province. In April 2023, SP2 officially became an associate company of REE Energy, with an ownership ratio of 28.88%.

In 2023, due to the general impact of the hydrological situation in the Northwest region in the first 6 months of the year, the commercial power output was recorded at 127 million kWh, down 21.6% compared to the previous year. Revenue and profit were VND 151 billion and VND 27 billion respectively, a sharp decrease compared to the same period in 2022.

Thermal power

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	3,507	3,348	4.74%
Profit after tax	78	68	14.53%

The thermal power segment produced a power output of 3,507 million kWh (equivalent to 33.86% of total generation output), increasing by 4.74% YoY thanks to turbine S6 at Pha Lai 2 plant resuming normal operations from September 2023, after 28 months in repair.

The two Thermal power plants in REE Energy's investment portfolio have been in commercial operation for a long period of time with high heat rates (Pha Lai Thermal Power Line 1 and Ninh Binh Thermal Power Plant), making it difficult for plants to find profit opportunities during this period.

Pha Lai Thermal Power JSC (HOSE: PPC)

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	3,141	2,979	5.45%
Revenue	5,814	5,116	13.64%
Profit after tax	435	373	16.30%

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 2023, PPC's commercial power output increased by 5.45% to 3,141 billion kWh with PPC2 turbine unit S6 (capacity: 300 MW) resuming generating operations in September 2023, after more than two years out of commission after encountering a failure.

The recorded revenue was VND 5,814 billion, an increase of 13.64% YoY. However, contract output decreased by 3% YoY, due to degradation in equipment at PPC1 alongside repairs being halted due to dust filter problems, affecting 2023 business results. Profit was 435 billion, up 16.30% YoY, mainly thanks to income from financial activities.

Ninh Binh Thermal Power JSC (HNX: NBP)

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	365	369	-1%
Revenue	942	932	1.11%
Profit after tax	9	24	-64.18%

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 power output is called upon whenever required to guarantee national power security.

In 2023, the plant produced a commercial power output of 365 million kWh, down 1% YoY. Revenue and profit after tax was VND 853 billion and VND 8 billion respectively, a significant decrease over the same period in 2022. Revenue from electricity sales increased by 1.11% compared to the previous year, but profit after tax was recorded at VND 9 billion, a sharp decrease compared to the same period in 2022, mainly due to increased fuel costs from high coal input inventory prices from 2022.

Wind power



Image: Loi Hai 2 Wind Power Plant

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	391	330	18.56%
Revenue	842	697	20.86%
Profit after tax	201	155	29.89%

The wind power segment delivered a total power output of 391 million kWh, equivalent to 18.56% YoY thanks to improved wind speeds at three wind power plants: Phu Lac 2, Loi Hai 2 and Tra Vinh V1-3 Wind Power Plants.

Revenue and profit after tax were VND 842 billion and VND 201 billion respectively.

Unit: VND billion

**Thuan Binh
Wind Power JSC
(TBWP)**

	2023	2022	% change
Commercial power output (million kWh)	222	186	19.20%
Revenue	448	369	21.33%
Profit after tax	103	100	2.88%

BWP owns a total generation capacity of 79 MW, which includes three operational wind power plants:

- » Phu Lac 1 Wind Power Plant (Binh Thuan Province) with a generation capacity of 24 MW and in commercial operation since September 2016. Feed-in tariff: 8.5 US Cents/kWh.
- » Phu Lac 2 Wind Power Plant (Binh Thuan Province) with a generation capacity of 26 MW and in commercial operation since October 2021. Feed-in tariff: 8.5 US Cents/kWh.
- » Loi Hai 2 Wind Power Plant (Ninh Thuan Province) with a generation capacity of 29 MW and in commercial operation since October 2021. Feed-in tariff: 8.5 US Cents/kWh.

The 2023 commercial power output of the three wind power plants (Phu Lac 1, Phu Lac 2 and Loi Hai 2) were 65 million kWh, 73 million kWh and 82 million kWh respectively. The average electricity curtailment rate in 2023 was recorded at 4.8%, 2.8%, and 15.3% for Phu Lac 1, Phu Lac 2, and Loi Hai 2, respectively. Thanks to the higher exchange rate in 2023 compared to 2022, revenue in 2023 reached 448 billion, an increase of 21.3%. Profit in 2023 recorded an increase of 2.88%, not proportional to revenue due to:

- Interest rates and exchange rates increased, increasing financial expenses by 41% compared to 2022.
- Restructuring of foreign currency loans (IFC) into domestic currency loans (VIB) resulted in VND 10.2 billion in early repayment costs. With the successful restructuring of foreign currency loans in USD, TBWP will reduce interest expenses from 2024.

Unit: VND billion

**REE Tra Vinh
Wind Power Company Ltd**

	2023	2022	% change
Commercial power output (million kWh)	169	144	17.36%
Revenue	395	328	20.32%
Profit after tax	148	107	38.71%

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

The plant began construction in 2Q2020, went into commercial operation on 27 October 2021 and met the criteria to apply a 20-year feed-in tariff policy following Decision No.39/2018/QĐ-TTg dated 10 September 2018 of the Prime Minister.

2023 is the second year that the plant has been in commercial operation for a full year, with the delivered electricity output reaching 169 million kWh, an increase of 17.36% compared to 2022 thanks to better wind, and profits have increased correspondingly.

Rooftop solar power



Image: Bonded warehouse

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	134	120	11.64%
Revenue	256	229	11.79%
Profit after tax	39	48	-17.02%

The rooftop solar power segment recorded an electricity output of 134 million kWh in 2023, an increase of 11.64% YoY, and revenue reached VND 256 billion, an increase of 11.79% YoY due to an increase in capacity of 22 MWp in relation to 2021-2022 projects (specifically, total COD capacity recorded on 31 December 2023 is 118.5 MWp, compared to 96.8 MWp in 2022). However, this segment recorded a decrease in profit due to (i) ineffective operation of 2021-2022 projects, the capacity factor is always low because various factories were lacking in production orders, so the system does not consume electricity, and at the same time, the year recorded an additional loss of VND 6.82 billion due to the recovery of inactive projects; and (ii) provision for an inventory price reduction of VND 4 billion.

Electricity distribution

Unit: VND billion

	2023	2022	% change
Commercial power output (million kWh)	318	308	3.07%
Revenue	630	591	6.65%
Profit after tax	34	28	20.20%

Tra Vinh Electric Development JSC (UPCOM: DTV)

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 145,000 households. REE acquired a majority stake in DTV in August 2016.

In 2023, DTV distributed a total commercial power output of 318 million kWh, up 3.07% YoY. Revenue was VND 630 billion, an increase of 6.65% YoY due to a reduction in the electricity loss rate from 5.37% to 4.35%. DTV recorded a profit after tax of VND 34 billion, up by 20.20% YoY.

Unit: billion VND

Mechanical & Electrical Engineering Services

	2023	2022	% change
Value of new contracts	1,034	2,405	-57%
Revenue	2,653	2,816	-5.8%
Profit after tax	-9	133	-106.6%

Despite the government's efforts to stimulate credit and implement policies supporting the real estate sector, the tighter regulations in the Land Law amendments and stricter project licensing procedures have significantly reduced the number of projects in the private sector and public infrastructure investment. Limited project implementation has led to increasingly fierce price competition, affecting M&E contracting activities similarly.

REE M&E - a leading mechanical and electrical contractor in Vietnam with experience in mechanical and electrical installation in infrastructure, commercial, and industrial sectors - ended the year with results not as forecasted, as the total value of new contracts signed in 2023 only reached VND 1,034 billion, a 57% decrease compared to the same period.

In 2023, REE M&E participated in bidding for 49 projects with a total value of VND 12,194 billion. Out of these, only 21 projects worth VND 4,200 billion were successfully bid, while 17 projects worth VND 7,906 billion were extended to 2024. By the end of the year, the M&E Services sector won contracts for only 8 projects, totalling VND 1,034 billion VND. The win rate was approximately 24% of the total number of projects bid on, leading to a lack of activity.

As a result, the business performance of the M&E Services sector in 2023 recorded a revenue of VND 2,653 billion, a decrease of 5.8% compared to the same period, and an after-tax loss of VND 9 billion. Incoming business and revenue did not meet the plan, leading to an increase in fixed costs. High receivables incurred financial costs, and the provision for bad debts amounted to VND 220 billion in the year, wiping out the already low profit margins.

The air conditioner business recorded a revenue in 2023 of 357 billion VND, down 2.2% compared to 2022; profit after tax was recorded at negative 14 billion VND. The management board decided to cease operations of RMC due to ineffective business leading to negative capital. In 2023, the consumption of air conditioners decreased by 6.3% compared to 2022. In a fiercely competitive business environment with slow consumption, R.E.E Electrical Appliances JSC is on one hand striving to expand distribution, while on the other hand, consolidating inventory management and debt management to improve working capital and cash flow.

Mechanical & Electrical Engineering Services (continued)

Notable projects in 2023:



Bekaert Vietnam Factory

Construction floor area: 54,700 m²

REE M&E undertakes the contractor package for design, supply and installation of M&E and fire protection systems for the factory. The factory has officially been in operation since November 2023.



The Sun Tower office and commercial retail building

Construction floor area: 140,000 m²

Officially starting construction in March 2022, the Sun Tower is a combination office building-shopping centre located in the Grand Marina Saigon luxury real estate complex with an area of 25.29 hectares and located in District 1.



Metropole 1.13 commercial office, apartment and retail complex

Construction floor area: 189,000 m²

REE M&E is the MEPF package contractor for this project. Metropole 1.13 is located in District 2, near Thu Thiem bridge, which is the connection point between the centre of District 1 and Thu Thiem urban area. The project went into operation in September 2023.



Phu Bai International Airport T2 passenger terminal

Construction floor area: 27,500 m²

The project is undertaken by the Airports Corporation of Vietnam as the developer. The project has a total investment capital of about VND 2,250 billion. REE M&E is responsible for construction of the electrical system, air conditioning and ventilation system, fire alarm and fire fighting system. The project officially commenced operation on 28 April 2023.

Unit: VND billion

Real Estate

	2023	2022	% change
Average occupancy level (%)	95.3%	97.5%	-2.2%
Revenue ^(*)	1,049	1,037	1.2%
Profit after tax	537	517	3.9%

(*) Revenue excludes electricity charges collected from tenants

Office leasing

The Office leasing sector recorded stable revenue in 2023 at VND 1,049 billion, a slight increase of 1.2% compared to the same period. Profit after tax increased by 3.9% compared to 2022 thanks to rental price adjustments corresponding to market prices, although the average occupancy rate in 2023 decreased by 2.2% compared to 97.5% in 2022. This business segment continues to maintain growth results due to the scarcity of new supply sources during the year, allowing office buildings already in operation to maintain high occupancy rates and stable rent.

However, the office leasing market is not without its challenges. Businesses are facing economic downturns and are implementing cost-saving measures, including staff and office rental budgets. This translates to a decrease in rental space needs and a shift towards lower-grade office buildings or relocation to areas outside the city centre. Specialist market research indicates the constant rise in new office supply in Hanoi and Ho Chi Minh City is expected to contribute to a rise in the office vacancy rate over the next few years.



Image: e.town 5 building

Unit: VND billion

Real Estate (continued)

	2023	2022	% change
Revenue	-	-	n/a
Profit after tax	25	63	-60.3%

**Real estate
development**

Profit after tax of the Real estate development segment in 2023 reached VND 25 billion, equivalent to a 60% decrease compared to the same period. The significant drop in profit after tax is due to (i) affiliated companies were not able to recognise revenue in 2023 (which was recognised in 2022), (ii) real estate projects of the subsidiary companies are still in the construction phase and have not been put into operation.

In 2023, REE Land began phase one of a commercial housing development project in the residential area of Bo Xuyen Ward, Thai Binh City (The Light Square). The project is currently in the final stages, and is expected to be completed by the end of March 2024 for handover to customers and realise revenue in 2024.



Image: The Light Square Project - Thai Binh City

Water & Environment

Unit: VND billion

	2023	2022	% change
Commercial output of water treatment plants (million m ³)	484	475	1.9%
Commercial output of clean water distribution plants (million m ³)	281	267	5.2%
Revenue	67	154	-56.5%
Profit after tax	324	339	-4.4%

The primary activities of the Water and Environment sector currently involve the production and distribution of clean water, as well as providing technical services to the water supply and treatment industry.

The results of this sector's activities are mainly derived from the performance of associated companies. Revenue of the water segment is consolidated from the results of TK Plus Company, a subsidiary owned by REE Water with 65% of equity.

In 2023, companies engaged in the production and sale of clean water operated stably with output based on wholesale agreements. Companies involved in the entire clean water supply chain and distribution experienced a gentle increase in business efficiency due to the recovery of transient demand (tourism) as well as good non-revenue water control.

Consolidated profit after tax in 2023 decreased by VND 15 billion, equivalent to 4.4% compared to 2022. This stems from the expiration of tax incentives for the B.O.O Thu Duc Water Treatment Plant, per regulations. Additionally, the completion and commissioning of the Phase 2 water pipeline investment at the Song Da Water Treatment Plant increased depreciation costs while water prices have not been adjusted.

The water supply technical services provided by TK Plus continue to be deployed for numerous projects nationwide, such as Aurora Nam Dinh Industrial Park, Phuoc Son Water Plant (Binh Dinh Province), Tri Ton Water Plant (An Giang Province)...

Water & Environment (continued)

Water treatment plants

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

B.O.O Thu Duc Water Treatment Plant has a total production capacity of 300,000 m³/day in Ho Chi Minh City. The plant started commercial operation in 2009 and is the main supplier of clean household water to Thu Duc City, District 4, District 7, Nha Be District and Can Gio District (HCMC).

Tan Hiep Water Investment JSC (THW)

THW owns Tan Hiep II Water Treatment Plant with a generation capacity of 300,000 m³/day in Ho Chi Minh City. The plant extracts water from the Saigon River to process and sell wholesale to the Saigon Water Corporation (Sawaco) to provide clean water to the western districts of the City.

Song Da Water Investment JSC (UPCOM: VCW)

VCW is the project developer of Song Da Water Treatment Plant in Hoa Binh Province. The plant began commercial operation in April 2009 with a generation capacity of 300,000 m³/day. The Song Da Water Treatment Plant extracts raw water from the Da River to treat and supply clean water to Hanoi and neighbouring areas. In 2023, VCW completed the investment in the second phase of the clean water transmission pipeline, ensuring a safe water supply for Hanoi, while also preparing to receive water from the second phase of the Plant to increase the total capacity to 600,000 m³/day in the near future.

Saigon Clean Water Business and Investment JSC (SWIC)

SWIC owns Thu Duc III Water Treatment Plant with a total production capacity of 300,000 m³/day in HCMC. This is a project invested by REE Corporation (REE) and Saigon Water Corporation (SAWACO).

The plant began commercial operation in late 2015 and reached its current generation capacity of 300,000 m³/day in 2017.

Water supply and Sewerage plants

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

KHW owns two (02) clean water plants: Vo Canh and Xuan Phong with a total treatment capacity of 120,000 m³/day, including a transmission and distribution network, providing clean water to Nha Trang City, Dien Khanh District, part of Cam Lam District and Khanh Son District in Khanh Hoa Province.

In 2023, KHW's commercial water output was 52 million m³, and the system's non-revenue water ratio was 13.8%. Business activities in 2023 saw a slight growth due to the return of the local tourism industry.

Water distribution plants

Thu Duc Water Supply Company (HOSE: TDW)

TDW is one of the first equitised water distribution companies among others owned by SAWACO, with key businesses including retail distribution of clean water, managing, constructing, renovating and developing water supply networks in Thu Duc City (HCMC).

In 2023, its commercial water distribution output was 108 million m³ and its non-revenue water rate was 10.25%. TDW has the largest water distribution capacity among companies of SAWACO in 2023.

Nha Be Water Supply JSC (HNX: NBW)

NBW has a similar operating model to TDW. NBW supplies clean water to District 4, District 7 and Nha Be District (HCMC).

In 2023, its commercial water distribution output was 73 million m³ and its non-revenue water rate was 12.3%.

Gia Dinh Water Supply JSC (HNX: GDW)

GDW is a retail distributor of clean water, and performs construction, renovation and development of water supply networks in Binh Thanh District, Phu Nhuan District, and a small part of Go Vap District (HCMC).

In 2023, its commercial water distribution output was 54 million m³ and its non-revenue water rate was 9.98%.

Water treatment

TK Plus Company Ltd

TK Plus Company Ltd ("TK Plus") is a subsidiary of REE Water. TK Plus is a company that provides technical consulting, design, manufacturing of technological equipment, and construction of clean water and wastewater treatment plants in Vietnam. Established in 2016, TK Plus provides its services to a variety of water supply and sewerage companies, water treatment plants across Viet Nam, including:

- » Hung Nguyen Water Treatment Plant (capacity: 60,000 m³/day)
- » Toc Tien Water Treatment Plant (capacity: 50,000 m³/day)
- » Ho Nui Coc Water Treatment Plant (capacity: 56,000 m³/day)
- » Thu Duc Water Treatment Plant (capacity: 750,000 m³/day)

Group Financial Results

Revenue

8,570 VND billion

↓ **8.6%** relative to 2022

Profit after tax

2,188 VND billion

↓ **18.8%** relative to 2022

Revenue by segment

Unit: VND billion

	2022	2023	% change	Plan	% Actual/Plan
Energy	5,365	4,801	-10.5%	5,198	92.4%
M&E Services	2,816	2,653	-5.8%	3,383	78.4%
Real estate	1,037	1,049	1.2%	2,230	47.0%
Water & Environment	154	67	-56.5%	151	44.4%
Total	9,372	8,570	-8.6%	10,962	78.2%

Profit after tax by segment

Unit: VND billion

	2022	2023	% change	Plan	% Actual/Plan
Energy	1,666	1,315	-21.1%	1,351	97.4%
M&E Services	133	(9)	-106.6%	160	-5.5%
Real estate	579	562	-3.1%	930	60.4%
Water & Environment	339	324	-4.4%	335	96.8%
Other*	(25)	(5)	-81.7%	(76)	5.9%
Total	2,692	2,188	-18.8%	2,700	81%

(*) Including net financial income

Financial performance

Unit: VND billion

	2022	2023	% change
Net revenue	9,372	8,570	-8.6%
Cost of sales	5,042	4,860	-3.6%
Gross profit	4,330	3,710	-14.3%
Operating profit	3,986	3,042	-23.7%
Other profit	(107)	14	-113.1%
Profit before tax	3,879	3,056	-21.2%
Consolidated profit after tax	3,515	2,787	-20.7%
Profit after tax of parent company	2,693	2,188	-18.8%
Earnings per share (VND/share)	6,588	5,354	-18.7%

Unit: VND billion

Financial highlights

	2022	2023	% change
TOTAL ASSETS	33,915	34,912	2.9%
Current assets	8,573	9,524	11.1%
• Cash and cash equivalents	1,151	3,023	162.6%
• Short-term investments	1,749	1,132	-35.3%
• Account receivables	4,013	3,780	-5.8%
• Inventories	1,409	1,354	-3.9%
• Other current assets	251	235	-6.5%
Non-current assets	25,341	25,388	0.2%
• Long-term receivables	33	17	-48.5%
• Fixed assets	15,842	14,917	-5.8%
• Investment properties	1,457	1,345	-7.7%
• Long-term assets in progress	549	1,608	192.9%
• Long-term investments	6,491	6,560	1.1%
• Other long-term assets	969	941	-2.9%
TOTAL LIABILITIES	14,711	14,142	-3.9%
Current liabilities	4,086	3,945	-3.5%
• Short-term loans	1,455	1,238	-14.9%
• Other short-term liabilities	2,631	2,707	2.9%
Non-current liabilities	10,625	10,198	-4.0%
• Long-term loans	9,946	9,505	-4.4%
• Other long-term liabilities	679	693	2.1%
TOTAL OWNERS' EQUITY	19,204	20,770	8.2%
• Owners' equity	15,506	17,318	11.7%
• Non-controlling interests	3,697	3,452	-6.6%
Book value per share (VND/share)	43,630	42,373	-2.9%

Financial Ratio

	2022	2023
Liquidity		
• Current	2.1	2.4
• Quick	1.7	2.0
Leverage		
• Debt/Total assets	43.4%	40.5%
• Debt/Equity	76.6%	68.1%
• Equity/Total assets	56.6%	59.5%
Operating efficiency		
• Inventories turnover	4.6	3.5
• Receivables turnover	2.7	2.2
• Working capital turnover	2.6	1.7
• Assets turnover	0.3	0.2
Profitability		
• Return on net sales (ROS)	37.5%	32.5%
• Return on assets (ROA)	10.7%	8.1%
• Return on equity (ROE)	18.7%	13.3%

Energy Sector Strategic Development



The Energy Industry in 2023

Total electricity production and import volume

280.6 billion kWh

↑ **4.56%** relative to 2022

Total system capacity in 2023

80,555 MW

↑ **2,800**MW relative to 2022

2023 was a year full of changes and challenges for Vietnam's energy sector.

There were many deviations of the hydrological situation in the northern region in 2023 in comparison to the forecasted conditions. Many hydroelectric reservoirs saw increased mobilisation in the last months of 2022 and lowered water levels at the beginning of 2023. This affected water regulation for electricity generation during the dry season in the northern region in 2023, causing an imbalance in power sources. In April and May, numerous hydroelectric reservoirs in the northern region reported very diminished water flows, with some constituting record lows in recent years, causing many plants to operate near or at dead storage conditions.

In 2Q2023, the northern provinces faced severe power shortages. Unusual hydrological conditions at the reservoirs, coupled with a decrease in the capacity of some coal-fired power plants, led to insufficient electricity production to meet demand. According to data from EVN, electricity consumption in the northern region reached its highest daily level of 453 million kWh in May, accounting for 51% of the national total, a 20.5% increase compared to



the same period in 2022. The electricity supply structure for the northern region is heavily reliant on hydroelectric and coal-fired power. Various coal-fired power plants faced operational issues in the first half of the year, partly due to adverse weather conditions whereby several units running at maximum capacity in high temperatures failed, leading to prolonged shutdowns.

In 2023, the total electricity production and import volume for the entire system was 280.6 billion kWh, a 4.56% increase from 2022. Within that, EVN's estimated electricity production and purchase is 271 billion kWh, a 3.45% increase from 2022. The total commercial electricity output of EVN in 2023 is estimated at 251.25 billion kWh, a 3.52% increase from 2022, significantly lower than forecasted Power Development Plan VIII (PDP 8), which projected an annual growth rate of 9.3% for the 2021–2025 period. The modest growth in electricity consumption in 2023 is attributed to weakened industrial production (accounting for over 50% of total electricity usage) and construction activities.

The total system capacity in 2023 was 80,555 MW, an increase of 2,800 MW from 2022. Renewable energy capacity was 21,664 MW, representing 27% of the total system and a growth of 5.45% compared to 2022, mainly from completed transition projects that became operational in

2023. The share of renewable energy mobilisation increased by 7.7%, accounting for 13.6% of the total system, second only to hydroelectric and coal-fired power. Meanwhile, hydroelectricity recorded a decrease of 15.6% compared to the same period, representing 28.8% of the total, due to the transition to the El Nino phase.

The average Full Market Price (FMP) in 2023 was 1,584 VND/kWh, 19 VND/kWh (1%) less than in 2022. The FMP price showed a gradual decline from September, influenced by the onset of the rainy season in the central region and the prioritisation of BOT and renewable energy plant mobilisation.

The aforementioned factors contributed to the business results of the electricity sector in 2023, with the majority of power plants recording negative profit growth compared to 2022.

Despite the challenges, adjustment of the average retail electricity price somewhat relieved the pressure on the energy sector. After being maintained at 1,864.44 VND/kWh since the last adjustment in March 2019, 2023 saw two consecutive adjustments in retail electricity prices to 1,920.3732 VND/kWh in May 2023 and 2,006.79 VND/kWh in November 2023, which is an increase of 142.35 VND/kWh or 7.65% compared to the beginning of the year.

Prospects for the Energy Sector in 2024

We anticipate that 2024 will be a testing year for Vietnam's energy sector.

The expected growth in electricity consumption in 2024 is significant compared to 2023. EVN has calculated a balanced supply-demand for electricity in 2024, with electricity demand expected to grow by 8.96% compared to 2023. This is to ensure sufficient electricity supply to achieve the government's GDP growth target of 6–6.5% in 2024, considering the recovery of industrial production, economic growth, and export growth.

For hydropower, negative trends are expected to continue in Q1 and Q2/2024 due to unfavourable meteorological conditions. According to the National Center for Hydro-Meteorological Forecasting, El Nino is expected to reach 'strong' intensity in the first three months of 2024, then gradually weaken but persist until June 2024. Prolonged El Nino can increase temperatures, reduce rainfall, and lead to a decrease in water flows to hydroelectric reservoirs. Therefore, the capacity mobilisation of hydroelectric plants in the first six months of the year is expected to be restricted. The northern region, where hydroelectricity accounts for 46% of total installed generating capacity, will face many challenges in electricity supply.

According to Decision No. 158/QĐ-DTĐL dated 29 December 2023 approving the Electricity Market Operation Plan for 2024:

- The 2024 ceiling System Marginal Price is 1,510 VND/kWh, a 268.8 VND/kWh decrease from 2023
- The 2024 average Capacity Add-on Price is 330.5 VND/kWh, a 37.5 VND/kWh increase from 2023
- The 2024 Full Market Price is set at 1,840.5 VND/kWh, a 231.1 VND/kWh decrease from 2023

The 2024 ceiling FMP will decrease by 11.5% compared to 2023. The proportion of electricity paid according to contract price is 70% for thermal power plants and 98% for hydropower plants. The significant participation rate reduction of hydropower plants in the electricity market in 2024 is a negative signal for the revenue of these plants.

In 2023, the average retail electricity price was adjusted twice to alleviate financial pressure on EVN amidst high input prices in 2022 and 2023 and high exchange rate. The Ministry of Industry and Trade has proposed a mechanism for adjusting electricity prices every three months and has submitted a draft to the Prime Minister. The adjustment of retail prices eases EVN's financial stress, enhancing its ability to make payments to electricity producers and improving cash flow for investment in power transmission infrastructure.

Power Development Plan VIII, with a vision to 2050, was officially approved in May 2023 as an important legal basis for the development of the national power system. PDP 8 is built based on Vietnam's commitments at COP 26 to reduce net emissions to "Zero", and prioritises the development of renewable energy sources. By 2030, 77 GW of new electricity sources will be built to meet the GDP growth scenario of 8.5% per year. Wind power is expected to account for 18% of the total system capacity.

The implementation plan for PDP 8 is still under review and is expected to be approved by the Prime Minister this year. The approval of the implementation plan for PDP 8 is crucial in identifying the portfolio of electricity projects, providing a basis for authorised agencies to select competent investors for project development



and prioritise project implementation in line with PDP 8's total capacity. We anticipate the approval of the implementation plan for PDP 8 in 2024, to create conditions for attracting investment in the electricity sector.

At COP 28, the Prime Minister also emphasised the need for Vietnam to transition to cleaner energy sources and limit dependence on coal-fired power plants, aiming for a "Net Zero" emission target by 2050. To fulfil international commitments and achieve the specified power capacity in PDP 8, Vietnam needs to quickly develop the energy sector and enact clear legal policies to attract investment in power infrastructure.

However, to date, state administrative agencies have not found a suitable, long-term and stable solution for the development of renewable energy. In the short term, renewable energy faces many challenges due to the lack of a clear mechanism for electricity pricing and the absence of clear legal frameworks and procedures for new investments. Circular No. 19/2023/TT-BCT issued in November 2023 outlines the method of establishing the renewable energy pricing framework, providing investors with an initial overview but remains insufficient. Investors need clearer information and specific policies to attract and mobilise capital into the electricity sector.


Moreover, we note that current policies for electricity market operation are not consistent with the Operating Principles of the electricity market according to the Electricity Law. This inconsistency may discourage current investors and hinder new investors from entering Vietnam's energy sector in the future.

The Ministry of Industry and Trade has set the task of focusing on the construction and completion of electricity source and transmission projects, as well as refining legal documents to unlock projects in 2024. Specifically, the Ministry will focus on drafting amendments to the Electricity Law and implementing legal documents related to the electricity sector.

Thus, we believe that 2024 is a pivotal year for Vietnam's energy sector. In 2024, there will be a focus on developing energy transmission infrastructure to ensure a safe electricity supply and meet the power supply scenario per PDP 8. We expect that important policies on investment and electricity sector development will be issued in 2024. Reforms in procedures to remove barriers to the development of the sector will be initiated, laying the groundwork for the future development prospects of Vietnam's energy sector.



2024 Business Plan

	Revenue ↑ 23.5% relative to 2023	Profit after tax ↑ 10.1% relative to 2023
	10,588	2,409^(*)
 Energy	5,061 ↑ 5.4% relative to 2023	1,220 ↓ 7.1% relative to 2023
 M&E Services	3,245 ↑ 22.3% relative to 2023	166 ↑ 1,944% relative to 2023
 Real Estate	2,137 ↑ 103.9% relative to 2023	852 ↑ 51.6% relative to 2023
 Water & Environment	145 ↑ 116.4% relative to 2023	240 ↓ 25.9% relative to 2023

Unit: VND billion

(*) Including net other income unallocated by business segments (68.8 billion VND)

Energy



Unit: VND billion

	2023	2024	% change
Revenue	4,801	5,061	5.4%
Profit after tax	1,315	1,220	-7.1%

Unclear business environment and policies are expected to continue to affect production and business activities in 2024. The El Nino phenomenon is forecasted to dominate clearly in the next three months of 2024, and continue to the end of June 2024, affecting water flow into the reservoirs. Furthermore, the alpha ratio was revised from 90% in 2023 to 98% in 2024, and the ceiling Full Market Price saw a decrease of 231.1 VND/kWh for 2024, according to Decision No. 158/QĐ-DTDL issued on 29 December 2023. Meanwhile, with an asset portfolio in which hydropower plants account for more than 50% of total gross installed capacity, REE Energy proposes a conservative business plan for the energy sector in 2024.

Thermal power plants are expected to be mobilised maximally while El Nino enters its strong phase in 2024. In addition, turbine S6 of Pha Lai 2 Plant has re-entered operation in September 2023, therefore we are looking forward to increasing commercial output for the year. However, the plants in our portfolio have been in operation for a long period of time, therefore currently

incurring high heat rates. With such factors in mind, we forecast increased operating costs for our thermal power plants, which will have an impact on the profit plan for 2024.

The implementation plan for the Power Development Plan VIII (PDP 8) is still undergoing review and refinement to identify the list of power sources, as well as the prioritisation of project implementation. Additionally, the tariff calculation mechanism has not been clearly issued, and the legal framework still presents many obstacles for new investments. Therefore, considering these objective factors, in 2024, REE Energy will continue to focus on increasing its asset portfolio by an additional 100 MW, predominantly from renewable energy projects in line with the strategic direction of PDP 8. We will be more proactive in M&A opportunities, while also preparing for greenfield project development plans when the implementation plan for PDP 8 is officially completed. With existing projects, we will continue to explore opportunities to expand capacity, implement projects and upgrade equipment to improve efficiency and improve business results.

Meanwhile, REE Energy will constantly keep abreast of new market developments and research new technical trends such as hydrogen energy and battery storage in order to find new project development opportunities and enhance power generation capacity of renewable energy projects.

Mechanical & Electrical Engineering Services



Image: Phu Bai International Airport T2

Unit: billion VND

	2023	2024	% change
Revenue	2,653	3,245	22.3%
Profit after tax	-9	166	1,944%

The easing of credit through interest rate cuts from the end of 2023, combined with efforts to clear bottlenecks in the real estate industry, indicate the potential for a gradual recovery in the project segment of private and foreign enterprises. Factories and a few apartment and hotel projects that have been licensed and have the potential to generate profits will continue to be invested by investors, which shows that contractors will have opportunities to participate. REE M&E will select projects in areas where the company has an advantage. In addition, the segment that REE M&E focuses on in this period is public investment projects, especially key infrastructure projects with state budget capital.

For projects where REE M&E does not yet have a competitive advantage, the management team is implementing a plan to optimise business procedures to ensure greater rigour, and streamline the structure to create a competitive edge.

In terms of fortifying internal capabilities and financial health, since 2024, REE M&E has implemented a risk assessment process in project implementation, carefully evaluating participation in projects with capital, feasible legal groundwork and developer capacity to join in bidding. At the same time, applying measures to temporarily suspend construction when developers violate payment terms, strengthen construction handover acceptance processes to collect payment quickly, and continue to closely monitor the collection of debts and overdue bad debts from old projects.

The air conditioner business is forecast to continue to face fierce competition in terms of technology, price and promotion policies. Maintaining the market share of air conditioner sales will still be the top priority, through pushing a strong nationwide distribution network.

The M&E division in 2024 sets the target of maintaining market share and bolstering internal capacity. This is also the pivotal year for the M&E division to determine new business directions in expanding its operating field and improving its competitive position; preparing to welcome the economic recovery.

Real Estate

Office Leasing

Unit: VND billion

	2023	2024	% change
Revenue	1,049	1,082	3.1%
Profit after tax	537	463	-13.7%

Many international organisations maintain their assessment of Vietnam as an attractive and promising market in the long term. Therefore, the demand for office establishment of new foreign enterprises as well as the expansion of office space of domestic and foreign enterprises will still contribute significantly to the total demand, especially for the Ho Chi Minh City market. Therefore, we continue our pursuit of the goal of increasing new leasing area while maintaining occupancy rates in existing spaces.

According to specialist market research, the continuous increase in new supply in Ho Chi Minh City will contribute to pushing the vacancy rate up by over 20% in the next two years. In Ho Chi Minh City, Grade A supply is concentrated in three projects in District 1, expected to be launched in the 2024-2025 period, contributing nearly 120,000 m² of premium office space to the

market. About 81,000 m² of Grade A supply will also be completed in outlying areas in the next two years. Consequently, e.town 6 will face direct competition from these upcoming Grade A buildings.

In the context of the short-term market when businesses are still under great pressure to cut costs due to the slow economic recovery, our office buildings will need to make more efforts to maintain the target occupancy rate of 98%. Improving the quality of utilities and services is a top priority to meet the requirements and expectations of tenants. In the second quarter of 2024, The e.town 6 building will be put into operation with a total leasing area of 36,798 m². The occupancy rate is expected to be at 30% in the first quarter of operation.

From 2024 onwards, green offices will be a point of reference that many businesses adopt as an indispensable criterion in choosing their working space. The e.town 6 LEED Platinum certified, so it will be an ideal choice for businesses that prioritise integrating sustainable development factors into their brand building. We expect this building to soon achieve the target of filling the leasing area in the next year of operation.



Image: e.town Cong Hoa Campus

Real Estate (continued)

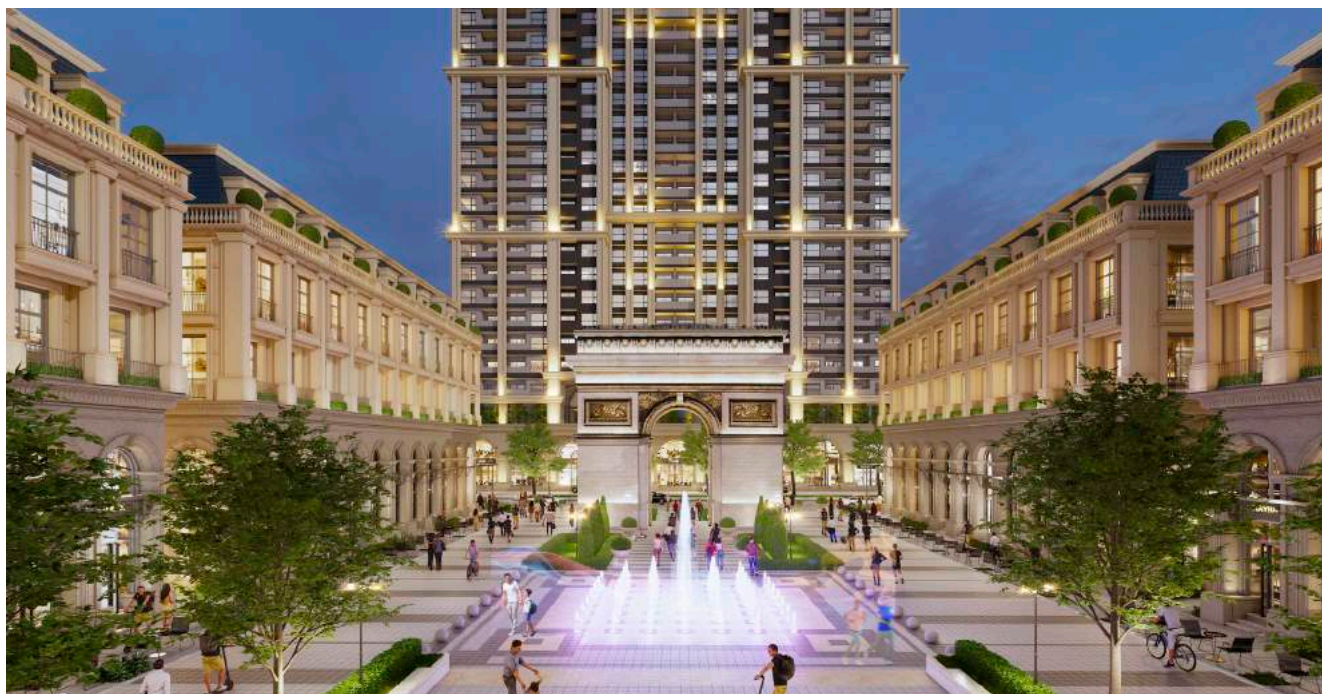


Image: The Light Square Project - Thai Binh City

Real estate Development

Unit: VND billion

	2023	2024	% change
Revenue	-	1,055	n/a
Profit after tax	25	389	1,381.8%

The real estate market in 2023 is recognised to have passed through the most difficult period and is beginning to enter a phase of stability. However, it may take from two to 4 more quarters for gradual recovery. In 2024, there are still challenges, and the supply of projects remains limited.

New regulations in Housing Law, Real Estate Business Law passed in November 2023, and especially the amended Land Law passed on January 18, 2024, effective from January 1, 2025, will contribute to promoting a more transparent real estate market. This provides the basis for the real estate market to gradually recover and develop in a healthy and stable direction.

Therefore, in 2024, we prioritise focusing on developing current projects with all available resources to ensure timely completion commitments and deliver the best quality products to customers. Specifically:

- » The commercial housing development project in the residential area of Bo Xuyen Ward, Thai Binh City, commits to completing house handovers to customers by the end of March 2024. Completion of the sale of 100% of low-rise housing products in Phase 1 of the project.
- » Completion of activities related to land clearance and implementation of construction permit procedures for the residential area project in Phu Hoi Commune, Nhon Trach District, Dong Nai Province.
- » Begin design work and completion of construction permit procedures for the Commercial retail - Office building project in Phu Huu Ward, Thu Duc City.

In addition, REE Land will continue to develop new land reserves to pave the way for the development of new projects in the future through participation in land use rights auctions, bidding for projects involving land use, and new project M&A opportunities, focusing on projects with clear legal profiles and favourable locations.

Water & Environment

Unit: billion VND

	2023	2024	% change
Revenue	67	145	116.4%
Profit after tax	324	240	-25.9%

REE Water envisions being at the forefront of clean water and environmental businesses with its operations spanning across Viet Nam.

In 2024, the clean water business will continue to demonstrate stable performance and is expected to align with Vietnam's economic outlook with a slight increase in water output:

- » With respect to clean water, M&A activities are showing signs of slowing down. Decision 1479/QĐ-TTg on 29 November 2022 approved a plan on SOEs restructuring in the 2022-2025 period: accordingly, the government ownership ratio remains unchanged in water treatment and distribution businesses until 2025.
- » For the wastewater business, REE Water continues to proactively monitor and seek investment opportunities in wastewater treatment plants in Ho Chi Minh City. TK Plus researches advanced technologies to solve wastewater problems in the city.
- » For the waste-to-energy business, REE Water will closely follow the opportunities of waste-to-energy projects in major cities with a processing capacity of over 2,000 tonnes of municipal solid waste per day.



Image: Water plant - B.O.O Thu Duc

Corporate Governance

Corporate governance overview

The Group's corporate governance relies on a combination of the 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

The General Meeting of Shareholders is the highest authority of the Group, comprising all shareholders with voting rights. The General Meeting of Shareholders is held annually 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 consult on approval of the 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 (2) executive members, two (2) non-executive members and two (2) independent members.

Member	Title
Ms. Nguyen Thi Mai Thanh	Chairwoman
Mr. Alain Xavier Cany	Non-executive Vice Chairman
Ms. Hsu Hai Yeh	Non-executive Director
Mr. Huynh Thanh Hai	Director and CEO
Mr. Nguyen Ngoc Thai Binh	Director and Deputy 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 within the approval remit of the Board. Extraordinary board meetings are held when required.

The Board receives prompt, accurate and updated information on business activities 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 of the Group Management are clearly defined. The Group Management is comprised of the General Director, two (2) Deputy General Directors, and other specialised 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 relevant matters.

The Group Management is comprised of:

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 fraudulent activity in management and safeguarding of the assets of the Group. The Audit Committee generates specialised, 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
Ms. Hsu Hai Yeh	Member

Board of Directors

Board composition

The Board of Directors for the term 2023 – 2027 is comprised of seven (07) directors: Standing Chairwoman, two (02) executive members, two (02) non-executive members and two (02) independent members.

Members of the Board of Directors:

Member	Title	Ownership of voting right (*)
Ms. Nguyen Thi Mai Thanh	Chairwoman	12.20% Ownership: 49,874,019 shares
Mr. Alain Xavier Cany	Non-executive Vice Chairman	34.89% Ownership: Nil Representative of Platinum Victory Pte. Ltd.: 142,638,514 shares
Ms. Hsu Hai Yeh	Non-executive Director	0% Ownership: Nil
Mr. Huynh Thanh Hai	Director	0.03% Ownership: 130,213 shares
Mr. Nguyen Ngoc Thai Binh	Director	1.96% Ownership: 8,010,434 shares
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 2023.

Board Committees

There are three Board Committees:

Committee	Chair
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

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 2023. The Board members directly participated and voted 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%
Ms. Hsu Hai Yeh	Director	4/4	100%
Mr. Huynh Thanh Hai	Director	4/4	100%
Mr. Nguyen Ngoc Thai Binh	Director	4/4	100%
Mr. Do Le Hung	Director	4/4	100%
Mr. Mark Andrew Hutchinson	Director	4/4	100%

Agenda of Board of Directors meeting

Meeting	Board Attendance	Agenda
09/02/2023	7/7	Quarter 4/2022 and full-year 2022 review. Markets and Group business performances update. Approval of 2023 business plan.
04/05/2023	7/7	Quarter 1/2023 review. Markets and Group business performances update. Quarter 2/2023 business plan.
28/07/2023	7/7	Quarter 2/2023 and 1H2023 review. Markets and Group business performances update. 2H2023 business plan.
01/11/2023	7/7	Quarter 3/2023 and 9-month 2023 review. Markets and Group business performances update. Quarter 4/2023 business plan.

List of resolutions and minutes of meeting of the Board of Directors in 2023

Resolution/ Minutes of Meeting	Date of issue	Content
02/2023/QĐ-HDQT-REE	30/01/2023	Approval on the last record date to hold the AGM and payment of advance dividend for FY 2022.
03/2023/BB-HDQT-REE	09/02/2023	Approval on Quarter 4/2022 Board meeting's matters.
05/2023/NQ-HDQT-REE	13/03/2023	Nomination of Candidate for the position of Independent member of the Board of Directors for the term 2023-2027.
04/2023/QĐ-HDQT-REE	28/03/2023	Approval on the guarantee for REE Tra Vinh's loan.
07/2023/BB-HDQT-REE	31/03/2023	Result of appointment of Chairman, Deputy Chairman and Heads of its Subcommittees for the term 2023 - 2027.
08/2023/NQ-HDQT-REE	05/04/2023	Board of Directors approved Plan on issuing FY 2022 shares dividend.

Resolution/ Minutes of Meeting	Date of issue	Content
10/2023/QĐ-HĐQT-REE	13/04/2023	Re-appointment of Chief Accountant.
11/2023/NQ-HĐQT-REE	04/05/2023	Closing shareholder' list to pay FY 2022 share dividend.
12/2023/BB-HĐQT-REE	04/05/2023	Approval on Quarter 1/2023 Board meeting's matters.
14/2023/NQ-HĐQT-REE	25/05/2023	Board of Directors approved the results on issuing FY 2022 shares dividend.
24/2023/NQ-HĐQT-REE	31/07/2023	Re-appointment of General Director.
25/2023/NQ-HĐQT-REE	31/07/2023	Approval on using contributed capital in REE Tra Vinh for REE Energy to increase its charter capital.
23/2023/BB-HĐQT-REE	28/07/2023	Approval on Quarter 2/2023 Board meeting's matters.
26/2023/QĐ-HĐQT-REE	21/09/2023	Appointment of the person in charge of corporate governance.
28/2023/BB-HĐQT-REE	01/11/2023	Approval on Quarter 3/2023 Board meeting's matters.
29/2023/QĐ-HĐQT-REE	25/12/2023	Approved the transfer of all shares at REE New City Real Estate JSC.

Activities of Independent Directors and Board Committees

The Board Committees operate in accordance with 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 the 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 key staff.

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 the effectiveness of operations, integrity of financial reporting and compliance with applicable laws and regulations.

The assumption of the non-executive and independent members of the Board of Directors of 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
Ms. Hsu Hai Yeh
Mr. Huynh Thanh Hai
Mr. Nguyen Ngoc Thai Binh
Mr. Do Le Hung
Mr. Mark Andrew Hutchinson

Audit Committee

Committee composition

Member	Head
Mr. Do Le Hung	Head
Ms. Hsu Hai Yeh	Member

Audit Committee operating mechanism

The Audit Committee operates in accordance with the Audit Committee Operating Regulations issued by the Board of Directors pursuant to the Company 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 meetings

Member	Head	Meeting Attendance	Attendance Ratio
Mr. Do Le Hung	Head	4/4	100%
Ms. Hsu Hai Yeh	Member	4/4	100%

Supervisory activities on Corporate governance matters conducted by Audit Committee

The 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 has also conducted a number of surveys, working and information sharing sessions at member companies, factories, and significant projects of the Group.

In the course of carrying out its tasks, the Audit Committee coordinates well with members of the Board of Directors, the members of the Board of Management, and the relevant management staff, and consistently receives cooperation from the Board of Management.

The Audit Committee reports the results of its supervision to the Board of Directors on a quarterly or ad hoc basis.

Audit Committee supervision results

Implementation of Board of Director resolutions

All critical issues were openly discussed amongst the Board of Directors. The issues were thoroughly discussed, 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 from the Board of Directors.

Implementation of Audit Committee recommendations

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

Financial reporting and accounting system

The Audit Committee approved the 2023 audited financial statements of the Group. The 2023 audited financial statements were prepared and presented in accordance with the Vietnam Accounting Standards (VAS). No material errors were recognised that could impair the reliability of financial statements.

The Audit Committee periodically reviewed quarterly and interim financial statements, and clarified key financial and investment information.

The results shown in the financial report are consistent with the business reality and market situation in 2023. The Audit Committee acknowledges the particular difficulties in terms of state policies and laws related to planning and implementing in the power industry, the El Nino phenomenon affecting hydropower, general market difficulties and credit and interest rate issues in particular, ... all of which have negatively impacted the Company's production and business activities.

No unusual fluctuations in any material asset items or business results were discovered. Accounting policies and principles underlying accounting provisions were consistently applied and had no significant changes.

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

Internal control and risk management system

The Audit Committee assessed that internal control and risk management activities are currently conducted at a basic level but have seen many improvements from the previous year.

Operational procedures have been issued to member companies of the Group, with key risks identified and monitored, allowing for timely discovery, assessment and appropriate response.

Key difficulties, impediments and risks are identified and promptly reported or raised at monthly Management meetings with the attendance of the highest level of management for decisive and effective response and resolution.

The Company has planned and is piloting a risk management method and process in a number of business units prior to scaling them more widely across the entire Group. The self-assessment control method has also been gradually implemented, raising the management responsibility of the heads of units in relation to potential key risks.

Over the past year, due to unforeseeable fluctuations in the global and domestic economic and financial situation, market, financial and credit risks remained at a high level and have adversely impacted business activities. The Board of Directors and the Board of Management are deeply aware of these challenges and have therefore closely followed and given prompt direction to mitigate risks that could negatively affect the achievement of business goals.

Internal audit

Internal audit plays an important role in corporate governance and has been organised in accordance with the prevailing regulations and widely accepted practices.

The internal audit team has assisted the Board of Management in promptly identifying emerging key risks, weaknesses in the internal control and risk management system, and recommended appropriate solutions to enhance the effectiveness of risk control and management.

In 2023, the internal audit team completed its assignments in the approved annual work plan.

The Audit Committee maintains oversight to ensure internal audit activities are quality and effective.

To better align with the expectations of the Board of Directors, the Audit Committee recommends the internal audit team be developed and strengthened soon to meet actual needs of the Company.

Legal compliance matters

The Group's legal team supports the business units on legal issues, monitors and regularly updates 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 to ensure 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.

Independent auditor evaluation

Audit Committee assessed that Ernst & Young Vietnam have fulfilled their responsibilities and duties pursuant to the audit contract signed with the Group, met the expectations of Audit Committee in key criteria including: reliability, honesty and quality of the audit report on the financial statements; compliance with the required audit deadline; compliance with codes of professional ethics, guarantee of 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	
		2023	2022
Board of Directors remuneration		10,680,000,000	9,810,000,000
Nguyen Thi Mai Thanh	Chairwoman	4,440,000,000	4,230,000,000
Alain Xavier Cany	Non-executive Vice Chairman	2,040,000,000	1,740,000,000
Stephen Patrick Gore <i>(resigned on 31 March 2023)</i>	Director	300,000,000	1,020,000,000
Hsu Hai Yeh <i>(appointed on 31 March 2023)</i>	Director	900,000,000	-
Huynh Thanh Hai	Director	-	120,000,000
Nguyen Ngoc Thai Binh	Director	-	120,000,000
Dang Hong Tan <i>(resigned 31 March 2022)</i>	Director	-	120,000,000
Do Le Hung	Director	1,800,000,000	1,560,000,000
Mark Andrew Hutchinson <i>(appointed on 31 March 2022)</i>	Director	1,200,000,000	900,000,000
Board of Management Salary		9,600,000,000	8,120,460,000
Huynh Thanh Hai	General Director	4,800,000,000	3,600,000,000
Nguyen Ngoc Thai Binh	Deputy General Director	2,400,000,000	2,184,000,000
Pham Quoc Thang <i>(resigned on 08 February 2022)</i>	Deputy General Director	-	152,460,000
Nguyen Quang Quyen	Deputy General Director	2,400,000,000	2,184,000,000
Total bonus		800,000,000	25,361,640,000
Total		21,080,000,000	43,292,100,000

Transactions of major shareholders, internal shareholders and related persons in 2023

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	%	
Platinum Victory Pte. Ltd	Related parties to Mr. Alain Xavier Cany – Vice Chairman	119,557,466	33.64%	142,638,514	34.89%	Buying and share dividend FY 2022

Contracts or transactions with internal shareholders

In 2023, 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 December 2020 on Guidelines for certain article of the Law on Securities, and
- Circular 96/2020/TT-BTC on information disclosure in the securities market.

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

- Company Charter (supplemented and amended for the 29th time on 30 November 2023), and
- Internal regulation on corporate governance.

In 2023, REE has complied with corporate governance regulations and disclosed information on business activities to shareholders, government authorities and stakeholders in a transparent, accurate and timely manner.

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

- Adopting best practices in managing the Company's operations, improving corporate governance quality toward international standards through applying principles of the Organisation for Economic Co-operation and Development (OECD) and the ASEAN Corporate Governance Scorecard, including 5 primary aspects as follows:
 - » Shareholders rights,
 - » Equitable treatment of shareholders,
 - » Ensure the interests and roles of stakeholders,
 - » Disclosure and transparency, and
 - » Responsibilities of the Board.
- The assumption of the non-executive and independent members of the Board of Directors of roles in the Remuneration Committee and Audit Committee stands to support the independence and integrity of the matters under the domains of these Committees.
- Fighting corruption and enhancing transparency in the selection of suppliers and contractors.
- Developing information channels and facilitating stakeholders' access to published information via the websites of the State Securities Commission (SSC), the Ho Chi Minh City Stock Exchange (HOSE), and the company at www.reecorp.com



03

Sustainability Report

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Sustainability Message from the Chairwoman

“

2023 marked a momentous year for REE Group, not only for the strides we made in sustainability but also for celebrating 30 years as one of the first companies in Vietnam to be equitised. This pioneering spirit, ingrained in our DNA since our inception, continues to fuel our drive towards a more sustainable future.

Dear Shareholders, Investors, Partners and Employees,

Just as REE was an early adopter of market reforms three decades ago, today we stand at the forefront of integrating sustainability into the core of our business. At REE, sustainability is not just a word, it is the foundation upon which we build the company's future. 2023 presented its share of challenges, from economic fluctuations to extreme weather events to policy uncertainty in various industries. Yet, through perseverance and a shared commitment to our core values, REE Group has navigated these hurdles and emerged stronger, more dedicated than ever to building a truly sustainable future.

This past year, REE Group witnessed the tangible results of its integrated sustainability framework. In the energy sector, we continued our transition towards a greener future, reducing our footprint in coal-fired thermal power while REE's wind and solar power projects continue to contribute to Vietnam's clean energy supply, and the company continues to explore innovative solutions to expand our renewable portfolio.

Beyond energy, REE's commitment to sustainability permeates every aspect of our operations. Our M&E services prioritise energy-saving solutions for clients, while the Group's real estate ventures boast LEED-certified buildings, showcasing REE's dedication to environmentally responsible construction. We constantly seek to empower our employees through innovative training programs and ensure their well-being with comprehensive benefits and a vibrant work environment.



Despite the challenges, 2023 saw significant progress. REE successfully implemented its Human Resources Information System, optimising talent management and driving efficiency. Our employee engagement initiatives were recognised nationally, as REE was honoured among the “Top 100 Best Places to Work in Vietnam.” We are proud to demonstrate our unwavering commitment to social responsibility through our active engagement in programs supporting vulnerable communities and promoting education.

Looking ahead, REE Group enters 2024 with renewed enthusiasm and ambitious goals. We aim to further expand our renewable energy capacity, focusing on green energy solutions and waste treatment projects. In real estate, REE will continue constructing smart, energy-efficient buildings, setting new standards for sustainable living. The company remains dedicated to developing our human capital, fostering a diverse and empowered workforce equipped for the future.

REE Group’s journey towards sustainability is a continuous one, filled with both triumphs and challenges. Yet, we remain committed to this path, driven by a profound belief that true success lies in balancing economic growth with environmental responsibility and social well-being. As we embark on this next chapter, we invite you, our stakeholders, to join us in shaping a more sustainable future.

Yours faithfully,

On behalf of the Board Of Directors
Chairwoman

Nguyen Thi Mai Thanh

Sustainability Report Overview

Corporate information

Established since 1977, Refrigeration Electrical Engineering Corporation ("REE") 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 the first time on 29 December 1993 and amended for the 29th time on 30 November 2023.

REE is listed on the Ho Chi Minh City Stock Exchange under Licence No. 01/GPPH dated 2 June 2000 issued by the State Securities Commission of Vietnam.

REE and its member companies ("REE Group") operate in the fields of Mechanical and electrical engineering services (M&E services), Property, Energy and Water.

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

Association and organisation 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



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

This report is issued for the 2023 financial year, from 1 January 2023 to 31 December 2023, and is prepared in line with 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), Property, Energy and Water.

Report information assurance



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

Sustainability framework

At REE, our sustainability framework is structured on three interconnected pillars: fostering sustainable growth, environmental protection and corporate social responsibility. We believe that true success is achieved through sustainable development, that is ensuring a balance between economic growth and the best interests of stakeholders: shareholders, investors, customers, business partners, Government authorities, employees and our communities.



Fostering sustainable growth

With the goal of creating a sustainable economic structure, REE focuses on the following areas of business: M&E services, real estate, energy, water and environmental services. We aim to expand our market share and increase our asset portfolio while strengthening our management and operations to support sustainable growth.

REE's objective is to achieve sustainable revenue and profit growth and ensure a minimum ROE of 15% per year.



Environmental protection

To reduce greenhouse gas emissions and protect the environment, REE applies green policies and advanced and environmentally-friendly technologies in each area of our business operations to provide best-in-class products and services to our customers. REE continuously develops new projects in renewable energy and clean water to provide sustainable necessities for the community.

REE is always ready to advise and guide our clients on using eco-conscious technologies and materials, applying solutions for efficient energy and water usage, ... At REE Group, policies are in place to promote environmental responsibility and cost-saving awareness among all employees: reducing business management costs, cutting costs for electricity, water, fuel, stationery, and other expenses.









Corporate social responsibility

REE consistently engages in meaningful social initiatives, particularly working with communities towards establishing educational foundations for youths through sponsorship activities, scholarship programs, ... to contribute to the enhancing of skills and knowhow of the young labour workforce.

Developing our human resources through policies that ensure the rights and a professional workplace environment for employees of REE group, talent identification and development programs, with the aim to unleash our employees' potential and optimise their capabilities.

Stakeholder engagement

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

In 2023, the job market and business environment face challenges arising from domestic and global economic conditions. Ongoing fluctuations due to inflation, the impact of warfare, and economic downturns have affected the recruitment landscape at REE.

In this challenging context, our priority is to optimise and develop the potential of existing resources. We only recruit new positions when absolutely necessary, and the selection of new personnel is conducted meticulously, emphasising flexibility, multitasking abilities, and resilience to adapt to the rapidly changing market.

Completion of Human Resource Management System (HRIS)

At REE, the application of technology in business management and human resources management to optimise all business activities are core factors and especially crucial for REE's sustainable development. That is why REE Group kickstarted the implementation of the Human Resources Integrated System (HRIS) project in March 2023.

After eight months of survey and deployment, the HRIS has officially gone live from September 2023 with essential functions such as data management, time in-out and salary calculation. We have also developed additional functions including training management, recruitment, and performance evaluation, ... The project team is continuing to adjust the features based on feedback from end users and actual demands arising during the operation as part of REE Group's digitalisation plan.

Training and development activities

With the REE Group's overarching goal of enhancing work efficiency and the strategic development of employee capabilities, in 2023, REE Group organised training courses focusing on developing specialised competencies as well as technical skills: supply chain management, real estate economics and finance, analytical and problem solving skills, ... In particular, the LNG to Power workshop from experts at The Lantau Group provided knowledge and practical experience in a new energy sector and can open up future investment opportunities. In addition, REE Group also focused on organising courses on labour safety, practical first aid skills, and fire prevention to ensure a safe working environment in accordance with the law.



Level	Number of employees	Training hours
By level	2,720	33,272
• Management level	698	8,420
• Non-management level	2,022	24,852
By gender	2,720	33,290
• Female	479	3,276
• Male	2,241	30,014
Total	2,720	33,272

Each training program is rigorously surveyed in terms of content and program design. Only partners who can provide trainers equipped with real capabilities, suitable for each industry sector that REE Group is pursuing are selected, to provide quality training and to meet specialist requirements

In 2023, we organised 86 training courses with a total of 2,720 participants and a total training cost of 2.5 billion VND.

86

Training courses

2,720

Number of employees

2.5

 VND billion

Training cost

33,272

Training hours

Employee benefits and engagement policy



Enhancing physical and mental health for employees

In 2023, REE continued to enhance the quality of our annual health check packages, while upgrading annual health insurance and accident insurance benefits for employees. The Board of Management team believes these provisions for healthcare support will help employees feel more assured when working at REE

We offer daily activities at the gym, including yoga, and zumba classes to provide opportunities for employees to maintain and improve their health.

Additionally, REE also places special emphasis on the mental wellbeing of our employees. In 2023, we organised four health talks with topics to raise awareness about the importance of nourishing one's health and well-being: stress management, understanding yourself - understanding your children, self-love and caring for others, and cancer screening.

Participating in sports events and employee engagement activities

To promote physical exercise and foster connections between employees within the REE Group and between companies in the Jardines Group, over 100 REE Group employees participated in the 2023 Jardines Familylympic sports festival with activities such as football, relay running, relay swimming, ... Moreover, in order to spread and raise awareness about health protection, nearly 100 REE Group employees attended and successfully completed the 6th Ho Chi Minh International Marathon, organised by Techcombank.

To maintain a dynamic, collaborative working environment, the Human Resources team strives to always deliver fresh, innovative team-building activities during major holidays that are warmly received by all employees. These include annual retreats, and events celebrating International Women's Day and Vietnamese Women's Day.





The Employee Conference

July 2023 marked a significant event for employees and REE, the Employee Conference. With more than 200 employee representatives in attendance, Mr. Au Duong Tu, the Union Chairman, reported on all activities of 2022, funding and actual expenses of the Union. In addition, the General Director shared REE Group’s business results in 1H2023, and the business direction of 2H2023, as well as listened and responded to concerns from attendees. Finally, the Conference agreed on adjustments to the Collective Labour Agreement, which was officially signed and came into effect 25 July 2023.



REE receives award for “Top 100 best place to work in Vietnam”

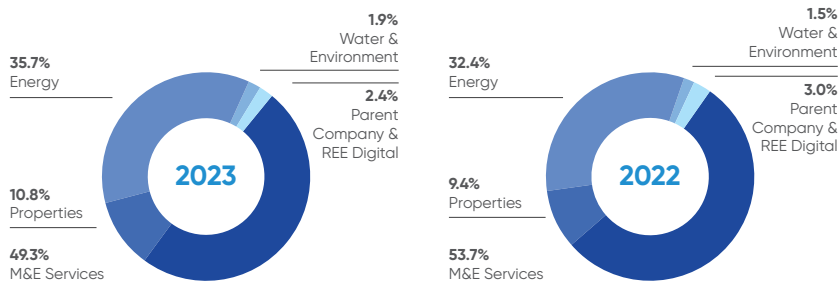
With the goal to build an ideal and dynamic working environment in Vietnam, REE consistently aims to create a professional workplace: a comfortable and modern space, where all employees can cultivate their creativity, enthusiasm and interactivity. In 2023, REE was honoured to be voted among the “Top 100 best place to work in Vietnam”, with the following rankings:

- 10th in the Engineering/Machinery/Industrial Mechanics Sector
- 12th in Real Estate/Real Estate Services
- 80th in the “100 Vietnam Best Places to Work 2023”

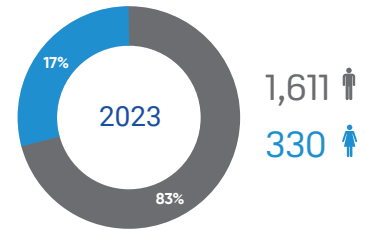
Talent pool briefing

Total headcounts of REE Group as of 31 December 2023 was 1,941 – down by 9% YoY, mainly due to a decrease of 184 employees in the M&E services and 17 employees in the REE office. In addition, a decrease in employees at RMC Trading Services, and REE SE Holdings in 2023 as these two companies narrow operations, negative macroeconomic impacts and the unissued solar power price policy. However, employees in the real estate sector increased slightly by 6% to meet the business development demands at The Light Square project (Thai Binh province).

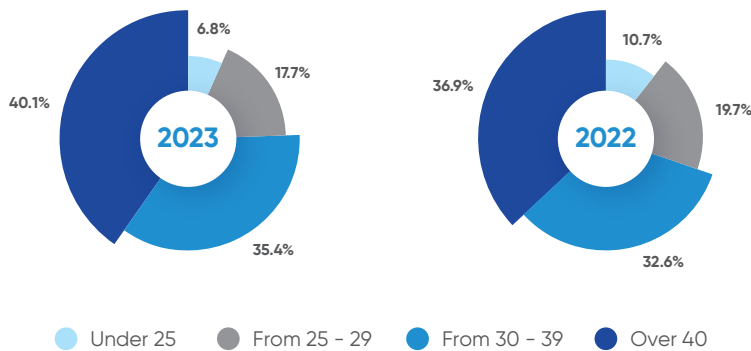
By business segment



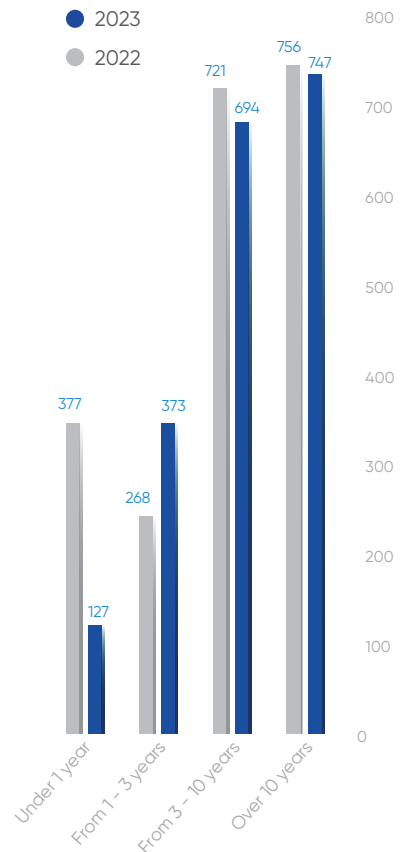
By gender



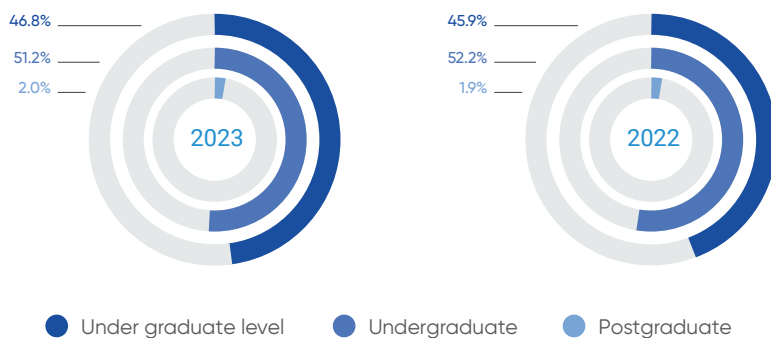
By age



By seniority



By qualification



Corporate social responsibility

Vietnam, and the world at large, have been going through a difficult economic term following the COVID-19 pandemic, exacerbated by war, natural disasters and the significant impact of climate change. Children, women, people with disabilities and people in difficult circumstances are the most vulnerable and affected. Our Corporate Social Responsibility (“CSR”) activities this year therefore gave priority to supporting these groups.

During the year, our CSR initiatives funded 2 billion VND in social welfare activities, scholarship sponsorship programs, donations of specialised technical books to universities and colleges, ... and REE participated as a sponsor for two programs:

- The 2023 “National Annual Empowerment Meeting”, part of the “Brighter Path” project, a scholarship program for the most academically talented ethnic minority female scholars.
- The 2023 “Fund for the poor of Tra Vinh Province” program, part of the “For the poor - Leaving no one behind” initiative for the 2021 - 2025 period launched by the Government, aiming to contribute to improving the lives of poor and near-poor households in rural areas.

Attendance at the 4th Ho Chi Minh City Economic Forum (HEF 2023)



The 4th Ho Chi Minh City Economic Forum (HCMC Economic Forum - HEF) was held from 13 to 17 September 2023 on Nguyen Hue walking street. It was an essential economic event that attracted the participation of leaders and leading enterprises in and out of the country. With the theme “Green Growth - The journey to net-zero”, HEF 2023 focused on solutions to promote economic development associated with environmental protection, climate change response, and towards the goal of sustainable development.

As a pioneer corporation in renewable energy and sustainable development in Vietnam, REE Corporation has actively participated in HEF 2023. REE’s booth at the Green Energy Exhibition attracted the attention of many visitors, the special presence of the Vice Chairman of the People’s Committee of Ho Chi Minh City, Mr. Vo Van Hoan, as well as local and domestic investors.

Through the event, REE introduced to visitors its standout projects, including: wind power projects (Tra Vinh V1-3, Loi Hai 2, Phu Lac 2), hydropower projects (Thuong Kon Tum, Vinh Son - Song Hinh, Thac Mo hydropower plants ...), solar power plant projects and rooftop solar power works.

Additionally, creative solutions in the sustainable development field were also introduced:

- An international standard Green Building project: grade A office building in Tan Binh with LEED Platinum standards;
- A Waste-to-Energy (WtE) Plant project: expected to be the first WtE project in the Southern region, with a capacity of 1,000 tons of municipal solid waste/day and applying advanced waste treatment technology from Singapore, contributing to solving the waste problem and providing energy for Ho Chi Minh City;
- A wastewater treatment process model: applying proprietary technology belonging to TK Cong Company Ltd (a member company of REE Group) to ensure a clean water source for household use and production, contributing to protection of the environment and water resources, and responding to climate change.

At HEF 2023, REE’s booth attracted over 10,000 visitors, including many high-ranking leaders, investors, and experts in the energy field. Through HEF 2023, REE affirmed its pioneering position in the field of green energy and sustainable development, contributing to promoting a green economy and protecting the environment in Vietnam.

46 Years of Establishment & 30 Years of Equitisation Anniversary Ceremony

REE's 46th anniversary and 30th anniversary of equitization (25 December 1993 – 25 December 2023) was held on 25 January 2024. It was a meeting for REE Group members to look back and honour those who have tirelessly dedicated themselves for the past 30 years since REE's equitisation, a motivation for REE to aspire to bigger goals.

The recent anniversary ceremony marked not just 46 years of pioneering perseverance and 30 years of breaking through, but also a year-end occasion for all REE Group employees to meet and share the challenges and achievements of the past year, and look towards a promising 2024.

In particular, Chairwoman Madame Nguyen Thi Mai Thanh's dedication to REE Group over the past 42 years is difficult to put down in words, from the landmark decision to equitise in 1993 to leading REE to growing steadily and strongly. Madame Mai Thanh continues to be a pioneer and conquer new challenges.



We hope that this legacy of excellence inspires the upcoming generations of REE Group, paving the way for another 30 years of memorable achievements.



Environment

REE tracks energy and water consumption in our business activities on a monthly basis for better control and to take timely measures of our resource usage and potential adverse impact (if any arise) to the environment.

Measurement, recording and statistics of energy and water consumption of the Group are carried out at the following locations:

1. Refrigeration Electrical Engineering ("REE") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
2. REE Energy Company Limited ("REE Energy") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
3. REE Water Company Limited ("REE Water") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
4. R.E.E Mechanical & Electrical Engineering JSC ("REE M&E") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
5. R.E.E Electric Appliances JSC ("Reetech") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
6. REEPRO Service & Manufacturing Company Limited ("REEPRO") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
7. R.E.E Real Estate Company Limited ("REE Property") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
8. REE Land Company Limited – ("REE Land") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
9. REE Solar Energy JSC ("REE SE") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City
10. Thac Ba Hydropower JSC ("TBC") – Thac Ba Town, Yen Binh District, Yen Bai Province.
11. Vinh Son – Song Hinh Hydropower JSC ("VSH") – 21 Nguyen Hue Street, Quy Nhon City, Binh Dinh Province.
12. Tra Vinh Electric Development JSC ("DTV") – 68 Nguyen Chi Thanh Street, Block 1, Ward 9, Tra Vinh City, Tra Vinh Province.
13. Muong Hum Hydropower JSC ("MHP") – Ban Xeo Commune, Bat Xat District, Lao Cai Province.
14. Nam Ban 2 Hydropower JSC ("NB2") – Nam Ban Commune, Nam Nhun District, Lai Chau Province.
15. Thuan Binh Wind Power JSC ("TBW") – Phu Lac Commune, Tuy Phong District, Binh Thuan Province.
16. REE Tra Vinh Wind Power Company Limited ("REE Tra Vinh") – Location V1-3, Nha Mat Hamlet, Truong Long Hoa Commune, Duyen Hai Town, Tra Vinh Province.
17. TK Plus Company Limited ("TK Plus") – 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City.

REE had no penalties or sanctions regarding non-compliance with environmental laws and regulations in 2023.

M&E Services

In M&E services, REE goes beyond providing services and positions itself as a customer-centric company, understanding and sharing responsibility with the community and the environment. Each project not only provides for human needs, but is also a source of positive impact on the surrounding environment and our future.

REE is ready to advise and guide our clients towards efficient building design and construction solutions that are energy-saving and environmentally friendly. Furthermore, REE consistently applies the highest technical and environmental standards:

- Applying ISO 9001:2015 quality management standard and being a member of Vietnam Green Building Council with the aim of ensuring our construction works meet the highest technical standards as well as minimising adverse impacts to our environment and human wellbeing.
- Applying Building Information Model (BIM) and REVIT 3D to optimise construction works.
- Consulting our customers about the design, construction and operation of smart buildings, adopting energy saving and eco-conscious 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 in this segment.

Real estate

In real estate, REE applies environmentally friendly technologies in building and operating smart, energy-efficient buildings. Prominent examples include:

- The construction of office buildings such as e.town 5, which meets EDGE certification standards by SGS (World Bank), and e.town 6, which meets Platinum LEED standards. These buildings meet key criteria such as reducing electricity consumption by up to 31%, reducing water usage by up to 51%, minimising CO2 emissions, and using environmentally friendly materials.
- Employing eco-friendly technology in our office construction and operation.
- Using temperature sensor-controlled systems which automatically switch lights on/off per usage needs in the new office buildings. Inefficient lighting system (filament light bulbs, fluorescent lamps with magnetic ballasts) in old office buildings are replaced by energy-saving lighting system (compact fluorescent lamp with electronic ballast, light-emitting diode LED), and adopting automatic outdoor lighting system at specific times and natural light levels, ...
- Employing heat-resistant tempered glass and variable-speed centrifugal chiller control system which automatically adjusts power consumption of areawide air conditioning systems in the new office buildings, and conducting periodic maintenance of facilities and equipment.
- With employees, the shutting down of lighting systems and air-conditioning systems at office areas after working hours has become a cultural feature of REE.

Energy

In energy, REE is accelerating investments into renewable energy and scaling down our footprint in coal-fired thermal power. REE also focuses on optimising the operational efficiency of our renewable energy plants to contribute to the nation's clean energy supply.

REE continually innovates, collaborates and invests in industries that benefit our community, society and the environment, while also aiming to expand our market share and increase our asset portfolio, strengthening our management and operations to support sustainable growth and create a green - clean - friendly living environment.

Energy consumption

Total amount of electricity consumed by REE Group in 2023

14,938,539 kWh = **53,779** GJ

↓ 10% YoY

Total amount of electricity consumed by REE Group in 2023 was 14,938,539 kWh, equivalent to 53,778 GJ, a decrease of 10% YoY. The decreased consumption was associated with leasing office and M&E services, down by 2,102,389 kWh. The primary electricity use was for office leasing services, using up to 11,129,307 kWh, accounting for 74.5% of total power consumption, mainly for air-conditioning and public lighting systems.

In 2023, prolonged hot weather has led to REE Group implementing energy saving solutions to achieve a decrease of 10% YoY: shutting down elevator systems to load on weekends and holidays, adjusting operating time and conducting periodic maintenance of facilities and equipment.

Company	2022		2023	
	kWh	GJ	kWh	GJ
REE Corp (including REE Energy and REE Water)	45,896	165		
REE M&E	155,809	561	135,812	489
Reetech	49,143	177	57,295	206
REEPRO	721,019	2,596	612,247	2,204
REE Property	13,211,699	47,563	11,129,307	40,066
REE Land	56,004	202	67,056	241
REE SE	13,991	50	17,400	63
TBC	993,063	3,575	1,058,540	3,811
VSH	243,557	877	826,491	2,975
DTV	25,317	91	25,685	92
MHP	112,300	404	241,744	870
NB2	325,084	1,170	78,291	282
TBW	640,015	2,304	679,900	2,448
TK Plus	5,163	19	8,771	32
Total	16,598,060	59,754	14,938,539	53,779

Energy consumption

(continued)

Total diesel consumption volume of REE

282,237 Litres = **993** GJ

↑ **9%** YoY

Total diesel consumption volume of REE Group in 2023 was 282,237 litres, equivalent to 993 GJ, an increase of 9% YoY. The increased consumption is mainly attributable to the operation of hydropower plant cooling turbines - accounting for 58.3% of total diesel consumption of REE Group and up by 14.1% YoY

Company	2022		2023	
	Litre	GJ	Litre	GJ
REE Corp (including REE Energy and REE Water)	23,997	84	19,982	70
REE M&E	24,584	86	18,432	65
Reetech	22,000	77	32,575	115
REEPRO	11,682	41	10,097	36
REE Property	16,769	59	20,866	73
REE Land	2,281	8	2,030	7
REE SE	13,450	47	6,990	25
TBC	42,353	149	41,578	146
VSH	55,993	197	85,195	300
DTV	3,721	13	13,191	46
MHP	22,048	78	13,059	46
NB2	2,400	8	4,387	15
TBW	11,171	39	7,252	26
TK Plus	6,630	23	6,693	24
Total	259,079	911	282,327	993

Water consumption

Total water consumption volume of REE

165,192 m³

↑ **4%** YoY

In 2023, total water consumption volume of REE Group was 165,192 m³, an increase of 4% YoY. The increased consumption was associated with the Property business, mainly usage in office leasing, public utilities and cooling air conditioning systems.

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

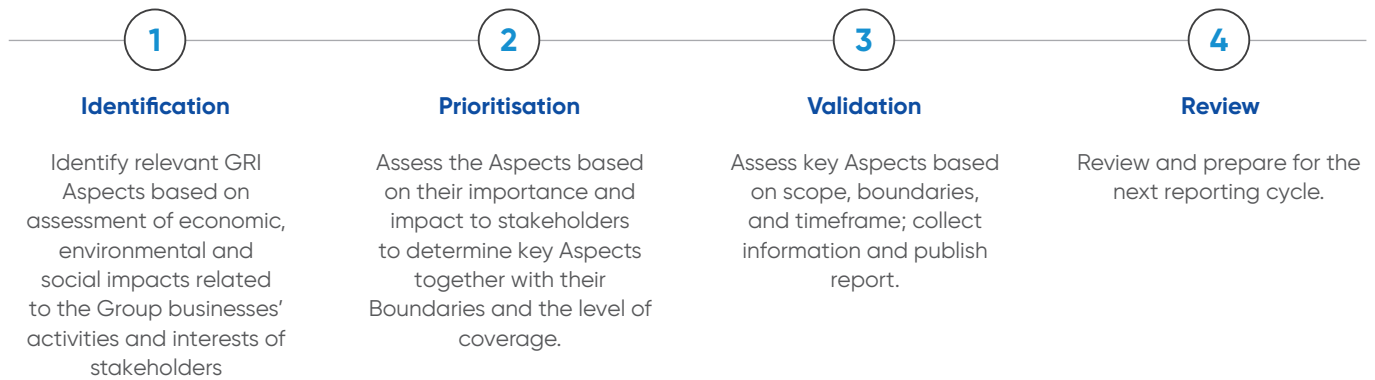
(**) Water consumption volume of companies managed by REE Property are included in the management fee of the building.

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

No.	Business segment	Company	2022 (m ³)	2023 (m ³)	% change
01	M&E services	REE M&E	9,853	10,042	2%
		Reetech			
		REEPRO			
		REE SE			
02	Real Estate	REE Corp (*)	136,608	149,597	10%
		REE Property (**)			
		REE Land			
03	Energy	REE Energy	13,119	5,553	-58%
		TBC			
		VSH			
		DTV			
		MHP			
		NB2			
		TBW			
04	Water & Environment	REE Water			
		TK Plus (***)			
Total			159,580	165,192	4%

Key Aspects

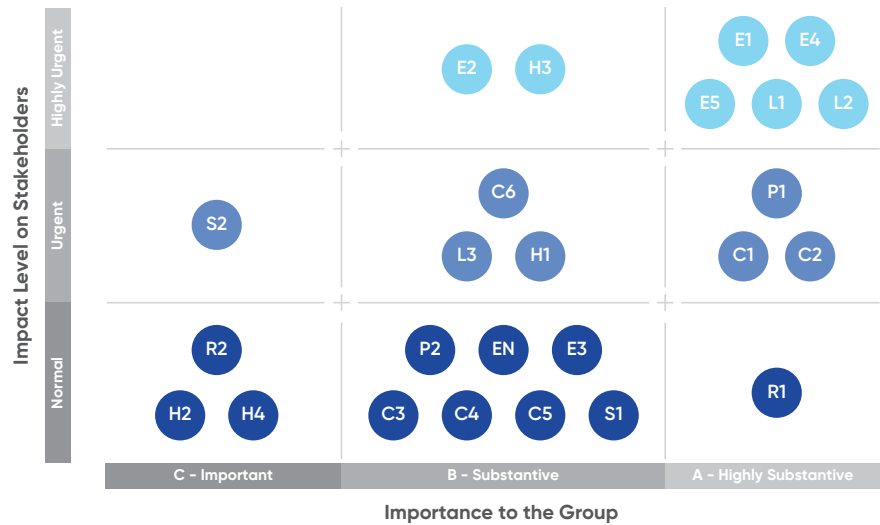
Defining the Report’s content and key aspects



List of indentified Key Topics, Aspects and Boundaries

Key Topics	Key Aspects (GRI)	Aspect Boundaries	Report Sections
Our Businesses			
P1 Product and service offerings	Products and services	<ul style="list-style-type: none"> • Corporation • Customers • Business partners (domestic and international) 	2023 Business results
P2 Customer and after-sales service			
EN Environmental protection			
E1 Business results	Economic Performance	<ul style="list-style-type: none"> • Corporation • Shareholders, Investors (local and foreign) • Business partners (domestic and international) • Government authorities 	Management Report
E2 Dividends			
E3 Stock price			
E4 Financial strength			
E5 Statutory obligations			
C1 Corporate Governance	Corporate Governance	<ul style="list-style-type: none"> • Group businesses • Shareholders, Investors (local & foreign) 	Corporate Governance
C2 Risk management			
C3 Equitable shareholder treatment			
C4 Compliance	Compliance	<ul style="list-style-type: none"> • Group businesses • Government authorities • Business partners (domestic & international) 	2024 Business Plan
C5 Anti-corruption			
C6 Market development	Market development		
R1 Transparent information disclosure	Disclosure and transparency	<ul style="list-style-type: none"> • Group businesses • Shareholders, Investors (local and foreign) • Government authorities • Group’s Employees 	Corporate Governance
R2 Internal communications			
Our People			
L1 Salary and employment benefits	Employees	<ul style="list-style-type: none"> • Group’s Employees 	1. Talent Pool Briefing 2. Talent Development
L2 Employee health and workplace safety			
L3 Training and development			
H1 Non-discrimination	Human rights		
H2 Human rights			
H3 Equal opportunity			
H4 Freedom of association and collective bargaining			
Corporate Social Responsibility			
S1 Corporate Social Responsibility	Community	<ul style="list-style-type: none"> • Group businesses • Community 	
S2 Workforce development			
Our Environment			

Priority matrix



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

GRI-G4 Disclosure and Content Index

General Standard Disclosures

GRI Index	Description	Reference Section	Page	Reason for Omission
1	STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the SR – Sustainability Statement by the Chairwoman 56 organization	AR – Sustainability Message from the Chairwoman	226	
2	ORGANIZATIONAL PROFILE			
G4-3	Name of the organization	AR – Corporate Information	228	
G4-4	Primary brands, products and services	AR – Corporate Information	228	
G4-5	Location of the organization's headquarters	AR – Corporate Information	228	
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	228	
G4-7	The nature of ownership and legal form	AR – Corporate Information	228	
G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	AR – Corporate Information	169	
G4-9	The scale of the organization	AR – Group Structure	193	
G4-10	The organization's workforce statistics	SR – Talent Pool Briefing	236	
G4-11	The percentage of total employees covered by collective bargaining agreements	100%		
G4-12	Description of the organization's supply chain	AR – Corporate Information AR – Management Report	228 182	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	SR – Scope of Report	229	
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	228	
3	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organization's consolidated financial statements Report whether any entity included in the organization's consolidated financial statements is not covered by the report	AR – Group Structure SR – Scope of Report	193 229	
G4-18	Explain the process for defining the report content and the aspect boundaries	SR – Key Aspects	244	
G4-19	List all the material aspects identified in the process for defining report content	SR – Key Aspects	244	

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	244	
G4-21	For each material aspect, report the aspect boundary outside the organization	SR – Key Aspects	244	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements			No significant changes
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries			No significant changes
4	STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organization	SR – Stakeholder Engagement	231	
G4-25	The basis for identification and selection of stakeholders with whom to engage	SR – Stakeholder Engagement	231	
G4-26	The organization's approach to stakeholder engagement	SR – Stakeholder Engagement	231	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting Report the stakeholder groups that raised each of the key topics and concerns	SR – Priority Matrix	245	
5	REPORT PROFILE			
G4-28	Reporting period	SR – Scope of Report	229	
G4-29	Date of most recent previous report	SR – Scope of Report	229	
G4-30	Reporting cycle	SR – Scope of Report	229	
G4-31	The contact point for questions regarding the report or its contents	AR – Corporate Information	228	
G4-32	The reporting option the organization has chosen	SR – Scope of Report	229	
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	SR – Report's Information Assurance	229	
6	GOVERNANCE			
G4-34	Governance structure of the organization, including committees of the highest governance body	AR – Corporate Governance	214	
7	ETHICS AND INTEGRITY			
G4-35	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	AR – Corporate Governance	214	

GRI Index	Description	Reference Section	Page	Reason for Omission
1	Economic			
1.1	Economic performance			
G4-EC1	Direct economic value generated and distributed	AR - Management Report	182	
G4-EC3	Coverage of the organization's defined benefit plan obligations	AR - Management Report	182	
1.1	Indirect economic impacts			
G4-EC7	Development and impact of infrastructure investments and services supported	AR - Management Report	182	
2	Environmental			
2.1	Energy			
G4-EN3	Energy consumption within the organization	SR - Environment	239	
G4-EN6	Reduction of energy consumption	SR - Environment	239	
G4-EN7	Reductions in energy requirements of products and services	SR - Environment	239	
2.2	Water			
G4-EN8	Total water withdrawal by source	SR - Environment	239	
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	237	
3	Social			
3.1	Labor practices and decent work			
3.1.1	Employment			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	SR - Talent Pool Briefing	236	
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	232	
	Occupational health and safety			
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR - Talent Development	232	
	Training and education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	SR - Talent Development	232	
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	232	

GRI Index	Description	Reference Section	Page	Reason for Omission
3.1.4	Diversity and equal opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	SR – Talent Pool Briefing	236	
3.2	Human rights			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	SR – Talent Development	232	No incidents of discrimination reported
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	100%		
3.3	Society			
3.3.1	Local communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	SR – Corporate Social Responsibility	237	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	SR – Corporate Social Responsibility	237	No negative impacts
3.3.2	Anti-corruption			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	AR – Corporate Governance	214	
G4-SO4	Communication and training on anti-corruption policies and procedures	AR – Corporate Governance	214	
3.3.3	Compliance			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	AR – Corporate Governance	214	No case was found
3.4	Product Responsibility			
3.4.1	Product and service labeling			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	AR – Corporate Information AR – Management Report	228 182	
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	228 182	No case was found
3.4.2	Customer privacy			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			No case was found
3.4.3	Compliance			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	AR – Corporate Governance	214	No case was found



04

Consolidated Financial Statements

For the year ended 31 December 2023

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General information

The Company

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended Enterprise Registration Certificate No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City on 30 November 2023.

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 Cary	Vice Chairman	
Mr Huynh Thanh Hai	Member	
Mr Nguyen Ngoc Thai Binh	Member	
Ms Hsu Hai Yeh	Member	appointed on 31 March 2023
Mr Stephen Patrick Gore	Member	resigned on 31 March 2023
Mr Mark Andrew Hutchinson	Independent Member	
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	
Ms Hsu Hai Yeh	Member	appointed on 31 March 2023
Mr Stephen Patrick Gore	Member	resigned on 31 March 2023

Management

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

Mr Huynh Thanh Hai	General Director
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.

Management Report

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 2023.

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 2023 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:



Huỳnh Thanh Hải
General Director

Ho Chi Minh City, Vietnam
8 March 2024

Independent Auditor 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 8 March 2024 and set out on pages 256 to 309 which comprise the consolidated balance sheet as at 31 December 2023, 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 2023, 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

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

Ho Chi Minh City, Vietnam

8 March 2024

Consolidated balance sheet

B01-DN/HN

as at 31 December 2023

VND

Code	Assets	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		9,524,178,397,527	8,573,479,385,227
110	I. Cash and cash equivalents	5	3,022,796,235,406	1,151,270,686,145
111	1. Cash		288,382,941,082	457,070,686,145
112	2. Cash equivalents		2,734,413,294,324	694,200,000,000
120	II. Short-term investments	16	1,132,366,903,888	1,749,361,611,727
121	1. Held-for-trading securities		719,448,038,287	789,692,824,953
122	2. Provision for diminution in value of held-for-trading		(823,208,798)	(802,036,798)
123	3. Held-to-maturity investments		413,742,074,399	960,470,823,572
130	III. Current accounts receivable		3,780,066,002,722	4,013,295,895,776
131	1. Short-term trade receivables	6	3,383,810,477,216	2,664,128,054,611
132	2. Short-term advances to suppliers	7	184,343,335,033	300,018,240,913
134	Construction contract receivables based on agreed progress billings	6	250,774,075,464	566,100,289,760
135	4. Short-term loan receivables		125,000,000	94,850,000,000
136	5. Other short-term receivables	8	392,665,411,764	596,729,452,561
137	6. Provision for doubtful short-term receivables	6, 7	(431,652,296,755)	(208,530,142,069)
140	IV. Inventories	10	1,353,834,235,393	1,408,572,015,872
141	1. Inventories		1,408,746,219,655	1,429,139,313,627
149	2. Provision for obsolete inventories		(54,911,984,262)	(20,567,297,755)
150	V. Other current assets		235,115,020,118	250,979,175,707
151	1. Short-term prepaid expenses		18,181,474,950	15,697,826,117
152	2. Value-added tax deductible		199,621,079,972	229,082,037,252
153	3. Tax and other receivables from the State	20	17,312,465,196	6,199,312,338

Consolidated balance sheet (continued)

B01-DN/HN

as at 31 December 2023

VND

Code	Assets	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		25,388,094,448,566	25,341,077,348,281
210	I. Long-term receivables		17,286,556,315	33,440,930,892
215	1. Long-term loan receivables		-	150,000,000
216	2. Other long-term receivables	8	17,286,556,315	33,290,930,892
220	II. Fixed assets		14,916,512,381,497	15,841,877,918,962
221	1. Tangible fixed assets	12	14,845,246,589,235	15,770,540,091,127
222	Cost		22,367,175,742,009	22,224,183,689,275
223	Accumulated depreciation		(7,521,929,152,774)	(6,453,643,598,148)
227	2. Intangible assets	13	71,265,792,262	71,337,827,835
228	Cost		94,993,210,911	91,987,605,208
229	Accumulated depreciation		(23,727,418,649)	(20,649,777,373)
230	III. Investment properties	15	1,345,379,933,498	1,456,784,566,540
231	1. Cost		2,509,257,175,775	2,507,128,328,047
232	2. Accumulated depreciation		(1,163,877,242,277)	(1,050,343,761,507)
240	IV. Long-term asset in progress		1,607,781,748,738	549,127,839,666
242	1. Construction in progress	14	1,607,781,748,738	549,127,839,666
250	V. Long-term investments	16	6,560,455,882,295	6,490,632,669,260
252	1. Investments in associates		6,273,947,267,162	6,174,124,054,127
253	2. Investments in other entities		286,508,615,133	286,508,615,133
255	3. Held-to-maturity investments		-	30,000,000,000
260	VI. Other long-term assets		940,677,946,223	969,213,422,961
261	1. Long-term prepaid expenses	11	348,026,033,938	328,606,640,226
262	2. Deferred tax assets	33,3	70,390,079,479	47,747,812,720
263	3. Long-term tools, supplies and spare parts		9,311,028,385	9,509,596,563
269	4. Goodwill	17	512,950,804,421	583,349,373,452
270	TOTAL ASSETS		34,912,272,846,093	33,914,556,733,508

Consolidated balance sheet (continued)

B01-DN/HN

as at 31 December 2023

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		14,142,171,608,105	14,710,864,120,770
310	I. Current liabilities		3,944,551,522,493	4,086,212,882,813
311	1. Short-term trade payables	18	619,168,441,200	649,942,308,673
312	2. Short-term advances from customers	19	706,892,085,785	810,443,650,832
313	3. Statutory obligations	20	203,100,791,499	291,983,466,228
314	4. Payables to employees		59,634,113,558	70,958,413,908
315	5. Short-term accrued expenses	21	639,350,330,826	573,773,399,392
318	6. Short-term unearned revenues	22	2,121,159,459	1,017,889,392
319	7. Short-term other payables	23	465,542,804,067	219,514,673,044
320	8. Short-term loans	24	1,237,930,873,038	1,455,134,067,019
321	9. Short-term provisions	25	5,569,432,641	10,556,886,638
322	10. Bonus and welfare fund		5,241,490,420	2,888,127,687
330	II. Non-current liabilities		10,197,620,085,612	10,624,651,237,957
336	1. Long-term unearned revenues	22	329,545,456	1,147,727,272
337	2. Other long-term liabilities	23	450,928,256,128	450,928,600,880
338	3. Long-term loans	24	9,504,888,072,199	9,945,950,959,393
341	4. Deferred tax liabilities	32.3	189,101,286,239	189,101,286,239
342	5. Long-term provisions	25	52,372,925,590	37,522,664,173
400	D. OWNERS' EQUITY		20,770,101,237,988	19,203,692,612,738
410	I. Capital		20,770,101,237,988	19,203,692,612,738
411	1. Share capital	26.1	4,097,142,600,000	3,564,104,840,000
411a	- Shares with voting rights	26.1	4,097,142,600,000	3,564,104,840,000
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	415,591,264,689	234,678,637,677
421	5. Undistributed earnings	26.1	11,802,464,925,759	10,704,620,223,639
421a	- Undistributed earnings by the end of prior year		9,614,148,267,291	8,012,103,633,221
421b	- Undistributed earnings of the current year		2,188,316,658,468	2,692,516,590,418
429	6. Non-controlling interests	26.4	3,452,035,366,916	3,697,421,830,798
440	TOTAL LIABILITIES AND OWNERS' EQUITY		34,912,272,846,093	33,914,556,733,508


Pham Thi Uyen Phuong
Preparer

8 March 2024


Ho Tran Dieu Lynh
Chief AccountantHuynh Thanh Hai
General Director

Consolidated income statement

B02-DN/HN

for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	27.1	8,579,347,840,237	9,377,949,892,489
02	2. Deductions	27.1	(9,429,498,460)	(6,022,115,163)
10	3. Net revenues from sale of goods and rendering of services	27.1	8,569,918,341,777	9,371,927,777,326
11	4. Costs of goods sold and services rendered	28	(4,859,979,570,703)	(5,042,144,068,004)
20	5. Gross profit from sale of goods and rendering of services		3,709,938,771,074	4,329,783,709,322
21	6. Finance income	27.2	227,055,551,430	186,791,709,886
22	7. Finance expenses	29	(1,016,426,708,380)	(941,632,842,257)
23	<i>In which: Interest expense</i>		(938,879,965,835)	(882,746,948,990)
24	8. Shares of profit of associates	16.3	877,175,804,311	1,077,442,346,189
25	9. Selling expenses	30	(92,540,436,139)	(88,908,329,412)
26	10. General and administrative expenses	30	(663,075,670,866)	(577,624,360,997)
30	11. Operating profit		3,042,127,311,430	3,985,852,232,731
31	12. Other income		21,973,706,432	43,804,003,691
32	13. Other expenses		(8,007,546,701)	(151,095,155,913)
40	14. Other profit (loss)		13,966,159,731	(107,291,152,222)
50	15. Accounting profit before tax		3,056,093,471,161	3,878,561,080,509
51	16. Current corporate income tax expense	32.1	(292,077,673,699)	(370,027,518,385)
52	17. Deferred tax income	32.1	22,642,266,759	6,843,413,041
60	18. Net profit after tax		2,786,658,064,221	3,515,376,975,165
61	19. Net profit after tax attributable to shareholders of the parent		2,188,316,658,468	2,692,516,590,418
62	20. Net profit after tax attributable to non-controlling interests		598,341,405,753	822,860,384,747
70	21. Basic earnings per share	26.5	5,354	6,588
71	22. Diluted earnings per share	26.5	5,354	6,588



Pham Thi Uyen Phuong
Preparer
8 March 2024



Ho Tran Dieu Lynh
Chief Accountant



Huynh Thanh Hai
General Director

Consolidated cash flow statement

B03-DN/HN

for the year ended 31 December 2023

				VND
Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		3,056,093,471,161	3,878,561,080,509
	Adjustments for:			
02	Depreciation and amortisation (including amortisation of goodwill)	12, 13, 15, 17	1,263,900,546,872	1,225,256,688,185
03	Provisions		267,350,820,613	98,981,408,043
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		34,472,956,246	42,356,802,295
05	Gains from investing activities		(1,083,636,292,497)	(1,130,009,949,164)
06	Interest and allocation of bond issuance expenses	29	942,709,678,643	887,764,661,798
08	Operating income before changes in working capital		4,480,891,181,038	5,002,910,691,666
09	Increase in receivables		(221,106,816,050)	(770,938,229,468)
10	Decrease (increase) in inventories		20,591,662,150	(622,597,956,965)
11	(Decrease) increase in payables		(137,175,149,477)	126,007,195,458
12	(Increase) decrease in prepaid expenses		(21,903,042,545)	300,652,623
13	Decrease (increase) in held-for-trading securities		70,244,786,666	(717,139,261,908)
14	Interest paid		(990,741,225,104)	(1,072,711,718,881)
15	Corporate income tax paid		(371,511,766,178)	(358,545,104,131)
17	Other cash outflows for operating activities		(12,519,462,688)	(18,153,481,873)
20	Net cash flows from operating activities		2,816,770,167,812	1,569,132,786,521
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(872,514,449,262)	(738,142,358,399)
22	Proceeds from disposals of fixed assets		15,367,159,007	27,429,467,640
23	Investments in term deposits and loans to other entities		(698,730,018,799)	(2,155,043,943,572)
24	Proceeds from divestments term deposits and collections from borrowers		1,370,333,767,972	2,114,067,604,767
25	Payments for investment in other entities		(278,605,442,466)	(738,141,142,458)
26	Proceeds from divestments in other entities		31,812,164,601	-
27	Interest and dividends received		1,074,670,421,285	721,597,119,576
30	Net cash flows from (used in) investing activities		642,333,602,338	(768,233,252,446)

Consolidated cash flow statement

B03-DN/HN

(continued)

for the year ended 31 December 2023

		VND		
Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution from non-controlling interests		-	1,471,000,000
33	Drawdown of borrowings	24	2,888,594,167,274	1,826,974,238,896
34	Repayment of borrowings	24	(3,589,767,945,216)	(2,734,496,023,082)
36	Dividends paid to equity holders of the parent	26.2	(352,029,359,650)	(306,041,313,190)
36	Dividends paid to non-controlling interests		(534,370,223,591)	(268,443,810,094)
40	Net cash flows used in financing activities		(1,587,573,361,183)	(1,480,535,907,470)
50	Net increase (decrease) in cash and cash equivalents		1,871,530,408,967	(679,636,373,395)
60	Cash and cash equivalents at beginning of year		1,151,270,686,145	1,830,901,134,902
61	Impact of exchange rate fluctuation		(4,859,706)	5,924,638
70	Cash and cash equivalents at the end of year	5	3,022,796,235,406	1,151,270,686,145



Pham Thi Uyen Phuong
Preparer
8 March 2024



Ho Tran Dieu Lynh
Chief Accountant



Huynh Thanh Hai
General Director

Notes to the consolidated financial statements

B09-DN/HN

as at 31 December 2022 and for the year then ended

1. Corporate information

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1506/GP-UB dated 25 December 1993 issued by the People's Committee of Ho Chi Minh City and the latest amended ERC No. 0300741143 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 30 November 2023.

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 2023 was 1,941 (31 December 2022: 2,122).

Corporate structure

As at 31 December 2023, the Company's corporate structure includes thirty two (32) 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	91.04	91.56
(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	73.99
(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) REE New City Real Estate Joint Stock Company (Note 4)	Ho Chi Minh City	Real estate	99.99	-
(10) R.E.E Real Estate Co., Ltd.	Ho Chi Minh City	Office building management	100.00	100.00
(11) REE Energy Company Limited	Ho Chi Minh City	Power	100.00	100.00

Names	Location	Business activities	% of interest	
			Ending balance	Beginning balance
(12) Thac Ba Hydropower Joint Stock Company (i)	Yen Bai Province	Hydropower	60.42	60.42
(13) Vinh Son-Song Hinh Hydropower Joint Stock Company	Binh Dinh Province	Hydropower	52.58	52.15
(14) Consulting and Technical Services VSH One Member Company Limited	Binh Dinh Province	Service supply	52.58	52.15
(15) Muong Hum Hydropower Joint Stock Company (i)	Lao Cai Province	Hydropower	79.84	79.84
(16) Thac Ba 2 Investment Hydropower Joint Stock Company	Yen Bai Province	Hydropower	35.60	35.60
(17) Indochina Electrical Development Joint Stock Company	Lai Chau Province	Hydropower	99.99	99.99
(18) Thuan Binh Wind Power Joint Stock Company (ii)	Binh Thuan Province	Wind Power	50.00	50.00
(19) REE Tra Vinh WP Co., Ltd	Tra Vinh Province	Wind Power	100.00	100.00
(20) REE SE Holdings Company Limited	Ho Chi Minh City	Solar Power	100.00	100.00
(21) REE Solar Energy Joint Stock Company	Ho Chi Minh City	Solar Power	99.99	99.99
(22) Tan Binh Solar Power Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(23) REE SE Anh Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(24) REE SE Huong Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(25) REE SE Thai Duong Company Limited	Ho Chi Minh City	Solar Power	99.99	99.99
(26) Ewaco Electricity And Water Infrastructure Joint Stock Company	Ho Chi Minh City	Solar Power	51.00	51.00
(27) Pacific Solar Power Joint Stock Company	Ho Chi Minh City	Solar Power	50.99	50.99
(28) Tra Vinh Electric Development Joint Stock Company	Tra Vinh Province	Electricity Trading	66.29	66.29
(29) Tin Hieu Xanh Trading Services Construction Company Limited	Ho Chi Minh City	Electrical infrastructure	100.00	100.00
(30) REE Water Company Limited	Ho Chi Minh City	Water supply	100.00	100.00
(31) TK Plus Company Limited	Ho Chi Minh City	Service supply	65.00	65.00
(32) REE Digital Co., Ltd.	Ho Chi Minh City	Digital	100,00	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 24.2).

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 2023.

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 measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labour cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition. In case the net realisable value is lower than the original price, it must be calculated according to the net realisable value.

Net realisable value ("NRV") 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.

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 finished goods and work-in-process 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 the consolidated balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included 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 of inventory property comprise direct cost incurred on the property and overheads allocated to that property, specifically as follows:

- 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 the inventory property sold recognised in the consolidated income statement based on specific identification method.

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 consolidated 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.

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 recognised 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.

3.19 Earnings per share

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

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

3.20 Taxation**Current income tax**

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

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

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

Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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

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

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

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 REE New City Real Estate Joint Stock Company

On 15 November 2023, the Company completely acquired shares of REE New City Real Estate Joint Stock Company ("REE New City") from the existing shareholders at the consideration of VND 142,216,800,000.

Accordingly, REE New City has become a subsidiary of the Group from the date of completion of the acquisition with the ownership interest of the Group in REE New City of 99.99%. The principal activities of REE New City are invest and implement the project of real estate.

The provisional fair values of the identifiable assets and liabilities of REE New City as at the acquisition date of consolidation are as follows:

	VND
	Provisional fair value recognised on acquisition
Assets	
Cash	1,263,972
Construction in progress	142,214,800,000
	142,216,063,972
Liabilities	
Short-term accrued expenses	5,000,000
Identifiable net assets at provisional fair value	142,211,063,972
<i>In which:</i>	
• Net assets acquired	142,196,842,866
• Non-controlling interests	14,221,106
Goodwill arising on acquisition	5,736,028
Purchase consideration	142,216,800,000

VND
Amount

Cash flow on acquisition	
Net cash acquired with the subsidiary	1,263,972
Cash paid	142,216,800,000
Net cash flow on acquisition	142,216,063,972

4.2 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 1,017,500 shares from existing shareholders Vinh Son – Song Hinh Hydropower Joint Stock Company (“VSH”) with total consideration of VND 35,022,530,113. Accordingly, the ownership interest of REE Energy in VSH increased from 52.15% to 52.58%.

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 11,355,482,353 is recognised as a decrease in undistributed earnings in consolidated balance sheet.

4.3 Acquisition of interests in Su Pan 2 Hydropower Joint Stock Company

In April 2023, REE Energy, a subsidiary of the Group, has completed the acquisition of 5,955,900 shares equivalent to 28.88% ownership of Su Pan 2 Hydropower Joint Stock Company (“SP2”). Accordingly, SP2 has become the associate of the Group since April 2023.

5. Cash and Cash equivalents

VND

	Ending balance	Beginning balance
Cash on hand	1,047,833,640	1,615,458,307
Cash at banks	287,335,107,442	455,455,227,838
Cash equivalents (*)	2,734,413,294,324	694,200,000,000
TOTAL	3,022,796,235,406	1,151,270,686,145

(*) Cash equivalents mainly represent the short-term bank and financial institution deposits with original maturity of less than three months and earn average interest rates ranging from 2.0% to 5.2% 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	3,383,810,477,216	2,664,128,054,611
Construction contract receivables based on agreed progress billings	250,774,075,464	566,100,289,760
TOTAL	3,634,584,552,680	3,230,228,344,371
Provision for doubtful short-term receivables	(431,652,296,755)	(208,530,142,069)
NET	3,202,932,255,925	3,021,698,202,302
In which:		
<i>Amount due from third parties</i>	3,632,155,467,968	3,209,723,249,510
<i>Amount due from related parties (Note 34)</i>	2,429,084,712	20,505,094,861

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

VND

	Current year	Previous year
Beginning balance	(208,530,142,069)	(119,126,470,478)
<i>Add: Provision created during the year</i>	(224,249,756,970)	(108,122,893,620)
<i>Less: Reversal of provision during the year</i>	1,127,602,284	18,719,222,029
Ending balance	(431,652,296,755)	(208,530,142,069)

7. Short-term advances to suppliers

VND

	Ending balance	Beginning balance
ANDRITZ China Ltd.	47,577,697,888	-
Central Construction Joint Stock Company	-	126,977,219,745
Quan Dat Trading and Production Company Limited	-	21,444,400,000
Others	136,765,637,145	151,596,621,168
Total	184,343,335,033	300,018,240,913

8. Other receivables

VND

	Ending balance	Beginning balance
Short-term	392,665,411,764	596,729,452,561
Capital contribution in Business Cooperation Contracts	160,754,706,360	158,051,706,360
Dividend receivable	88,325,859,664	76,204,662,800
Advances for investments (*)	67,348,023,892	140,100,458,390
Advances for employees	27,459,650,228	19,657,890,074
Interest income	13,830,138,421	46,725,041,323
Others	34,947,033,199	155,989,693,614
Long-term	17,286,556,315	33,290,930,892
Advances for land compensation	-	14,139,250,600
Deposits	17,286,556,315	19,151,680,292
TOTAL	409,951,968,079	630,020,383,453
<i>In which:</i>		
<i>Receivables from third parties</i>	322,307,004,879	550,931,994,628
<i>Receivables from related parties (Note 34)</i>	87,644,963,200	79,088,388,825

(*) 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		
	Cost	Provision	Net amount	Cost	Provision	Net amount
M&E Services	679,899,504,356	(417,286,444,948)	262,613,059,408	306,986,719,205	(197,585,385,976)	109,401,333,229
Energy and Water	84,832,814,319	(12,217,252,134)	72,615,562,185	13,438,940,751	(10,944,756,093)	2,494,184,658
Real estate	9,063,757,325	(2,148,599,673)	6,915,157,652	-	-	-
TOTAL	773,796,076,000	(431,652,296,755)	342,143,779,245	320,425,659,956	(208,530,142,069)	111,895,517,887

10. Inventories

VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventories	1,408,746,219,655	(54,911,984,262)	1,429,139,313,627	(20,567,297,755)
- Work in process	870,641,448,622	-	716,530,975,692	-
- Raw materials	375,200,373,739	(42,551,671,898)	442,187,389,553	(16,382,345,346)
- Finished and merchandise goods	148,941,344,744	(12,360,312,364)	252,808,147,175	(4,184,952,409)
- Goods in transit	9,218,469,554	-	12,778,344,773	-
- Tools and supplies	4,744,582,996	-	4,834,456,434	-
TOTAL	1,408,746,219,655	(54,911,984,262)	1,429,139,313,627	(20,567,297,755)

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

VND

	Current year	Previous year
Beginning balance	(20,567,297,755)	(6,571,835,380)
Add: Provision provided during the year	(36,430,202,930)	(14,658,267,948)
Less: Reversal of provision during the year	2,085,516,423	662,805,573
Ending balance	(54,911,984,262)	(20,567,297,755)

11. Long-term prepaid expenses

VND

	Ending balance	Beginning balance
Prepaid land rental	197,972,655,752	202,786,519,656
Shared interconnection facilities at Wind Power Plant	86,286,991,366	85,297,867,401
Renovation cost	24,951,976,932	11,613,876,827
Tools and supplies	14,900,401,918	8,310,296,589
Others	23,914,007,970	20,598,079,753
TOTAL	348,026,033,938	328,606,640,226

12. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						VND
Beginning 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
Transfer from construction in progress	8,044,260,995	108,090,357,184	20,747,587,500	2,175,604,415	-	139,057,810,094
New purchase	1,746,014,638	24,757,465,166	11,282,552,231	1,222,556,196	2,162,997,600	41,171,585,831
Disposals	(266,417,983)	(16,004,877,403)	(4,131,870,148)	(73,154,545)	(112,000,000)	(20,588,320,079)
Write-off	-	(3,100,447,046)	(193,856,000)	(637,566,122)	-	(3,931,869,168)
Others	-	(12,779,063,035)	61,909,091	-	-	(12,717,153,944)
Ending balance	11,874,277,819,841	10,011,423,244,082	423,211,919,700	33,833,796,252	24,428,962,134	22,367,175,742,009
<i>In which:</i>						
Fully depreciated	496,957,685,343	1,671,747,347,404	110,717,037,936	15,016,369,844	1,289,879,308	2,295,728,319,835
Collateral (Note 24.2)	7,619,098,270,538	8,942,121,820,364	230,817,142,372	309,549,950	18,658,097,601	16,811,004,880,825
Accumulated depreciation:						
Beginning 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
Depreciation for the year	552,457,493,922	496,197,497,767	25,062,477,869	1,702,105,093	1,482,417,834	1,076,851,992,485
Disposals	(15,401,037)	(386,762,121)	(4,131,870,148)	(48,703,704)	(112,000,000)	(4,694,737,010)
Write-off	-	(2,900,820,838)	(193,856,001)	(637,566,121)	-	(3,732,242,960)
Others	-	(139,457,889)	-	-	-	(139,457,889)
Ending balance	3,845,526,427,686	3,460,172,322,298	189,612,357,789	22,056,467,310	4,561,577,691	7,521,929,152,774
Net carrying amount:						
Beginning 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
Ending balance (*)	8,028,751,392,155	6,551,250,921,784	233,599,561,911	11,777,328,942	19,867,384,443	14,845,246,589,235

(*) Including in the ending balance was the amount of VND 640,939,528,788 belonging to Phu Lac Wind Power Plant Project – Phase 2 ("the Project") of the Group, the Project was granted the first-time Investment Certificate ("IC") on 27 August 2009 and the Investment Policy Decision ("IPD") on 15 August 2016, and subsequent amended IRCs and IPDs. On 25 December 2023, Government Inspector announced the Conclusion No. 3116/TB-TTCP regarding the inspection on the observance of policies and laws in the management, implementation of planning and investment in the construction of power works in accordance with Power Plan VII and adjusted Power Plan VII ("the Announcement") including mentioned some violations of the Project. At the date of these financial statements, the Group has not received any official documents from relevant authorities regarding the matters mentioned in the Announcement. Management assessed that the impact of the Announcement on Group's operation and financial situation is immaterial and will continue to implement the matters of the Announcement with relevant parties when receive the guidance from Authorities.

13. Intangible assets

VND

	Land use rights	Softwares	Total
Cost:			
Beginning balance	73,685,019,392	18,302,585,816	91,987,605,208
New purchase	-	3,197,514,793	3,197,514,793
Reclassification	-	(191,909,090)	(191,909,090)
Ending balance	73,685,019,392	21,308,191,519	94,993,210,911
<i>In which:</i>			
Fully amortised	-	8,208,921,127	8,208,921,127
Collateral (Note 24.2)	2,310,043,556	-	2,310,043,556
Accumulated amortisation:			
Beginning balance	10,317,915,654	10,331,861,719	20,649,777,373
Amortisation for the year	793,039,404	2,323,465,182	3,116,504,586
Reclassification	-	(38,863,310)	(38,863,310)
Ending balance	11,110,955,058	12,616,463,591	23,727,418,649
Net carrying amount:			
Beginning balance	63,367,103,738	7,970,724,097	71,337,827,835
Ending balance	62,574,064,334	8,691,727,928	71,265,792,262

14. Construction in progress

VND

	Ending balance	Beginning balance
Office Leasing projects	1,208,218,030,579	270,780,740,030
Thac Ba 2 hydropower project	289,317,776,334	70,343,178,957
Thuong Kon Tum hydropower project	38,326,164,450	47,608,128,514
Solar power project	15,301,194,761	122,713,559,974
Other projects	56,618,582,614	37,682,232,191
TOTAL	1,607,781,748,738	549,127,839,666

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

	Buildings and structures	Machinery and equipment	Others	Total	VND
Cost:					
Beginning balance	1,842,464,904,951	664,116,970,095	546,453,001	2,507,128,328,047	
New purchase	-	2,128,847,728	-	2,128,847,728	
Ending balance	1,842,464,904,951	666,245,817,823	546,453,001	2,509,257,175,775	
<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)	1,111,663,795,307	249,738,824,564	-	1,361,402,619,871	
Accumulated depreciation:					
Beginning balance	631,558,045,716	418,239,262,790	546,453,001	1,050,343,761,507	
Depreciation for the year	70,291,704,060	43,241,776,710	-	113,533,480,770	
Ending balance	701,849,749,776	461,481,039,500	546,453,001	1,163,877,242,277	
Net carrying amount:					
Beginning balance	1,210,906,859,235	245,877,707,305	-	1,456,784,566,540	
Ending balance	1,140,615,155,175	204,764,778,323	-	1,345,379,933,498	

The fair value of the investment properties was not formally assessed and determined as at 31 December 2023. 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
Short-term		
Held-for-trading securities (Note 16.1)	719,448,038,287	789,692,824,953
Provision for diminution in value of held-for-trading securities (Note 16.1)	(823,208,798)	(802,036,798)
Held-to-maturity investments (Note 16.2)	413,742,074,399	960,470,823,572
Net value of short-term investments	1,132,366,903,888	1,749,361,611,727
Long-term		
Investments in associates (Note 16.3)	6,273,947,267,162	6,174,124,054,127
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
Net value of long-term investments	6,560,455,882,295	6,490,632,669,260
TOTAL	7,692,822,786,183	8,239,994,280,987

16.1 Held-for-trading securities

VND

Securities	Ending balance			Beginning balance		
	Cost	Provision	Fair value/ net value	Cost	Provision	Fair value/ net value
Vietnam International Commercial Joint Stock Bank	696,212,625,000	-	993,897,000,000	738,362,625,000	-	800,850,000,000
Quang Ninh Thermal Power Joint Stock Company	-	-	-	28,094,786,666	-	32,910,514,300
Others	23,235,413,287	(823,208,798)	22,412,223,305	23,235,413,287	(802,036,798)	22,433,395,755
TOTAL	719,448,038,287	(823,208,798)	1,016,309,223,305	789,692,824,953	(802,036,798)	856,193,910,055

16.2 Held-to-maturity investments

VND

	Ending balance	Beginning balance
Short-term	413,742,074,399	960,470,823,572
Finance institution deposits (*)	383,742,074,399	960,470,823,572
Other	30,000,000,000	-
Long-term	-	30,000,000,000
Other	-	30,000,000,000
TOTAL	413,742,074,399	990,470,823,572

(*) 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 4.7 % to 6.2% per annum.

16.3 Investments in associates

Names of associates	Ending balance		Beginning balance		Business activities
	% of interest	Amount VND	% of interest	Amount VND	
Thac Mo Hydropower Joint Stock Company	42.63	693,074,703,355	42.63	741,882,910,873	Hydropower
Song Ba Ha Hydropower Joint Stock Company (i)	25.76	606,173,353,770	25.76	644,453,991,392	Hydropower
Central Hydropower Joint Stock Company	24.15	687,861,630,179	24.15	694,714,200,379	Hydropower
IDICO Srok Phu Mieng Hydropower Joint Stock Company	34.30	209,833,285,285	34.30	197,547,974,858	Hydropower
Binh Dien Hydropower Joint Stock Company	25.47	131,638,519,807	25.47	128,990,081,815	Hydropower
Su Pan 2 Hydropower Joint Stock Company (Note 4)	28.88	108,095,253,729	-	-	Hydropower
Pha Lai Thermal Power Joint Stock Company	23.52	1,199,901,373,528	24.14	1,224,973,490,927	Thermal power
Ninh Binh Thermal Power Joint Stock Company	29.45	73,505,647,656	29.45	78,140,603,257	Thermal power
Song Da Water Investment Joint Stock Company	35.95	877,994,113,505	35.95	892,207,514,078	Water supply
Thu Duc Water B,O,O Corporation	42.07	313,106,032,061	42.07	309,772,813,418	Water supply
Saigon Water Investment and Trading Joint Stock Company	40.00	480,009,583,422	40.00	398,226,140,206	Water supply
Khanh Hoa Water Supply Joint Stock Company	43.88	268,623,520,502	43.88	257,947,732,401	Water supply
Tan Hiep Water Investment Joint Stock Company	32.00	153,618,008,324	32.00	158,522,133,492	Water supply
Thu Duc Water Supply Joint Stock Company	44.17	103,357,510,363	44.17	87,943,267,305	Water supply
Nha Be Water Supply Joint Stock Company	20.02	43,099,900,530	20.02	44,261,166,949	Water supply
Gia Dinh Water Supply Joint Stock Company	20.05	35,031,071,522	20.05	35,142,044,979	Water supply
Saigon Real Estate Joint Stock Company	28.87	255,446,295,203	28.87	245,485,827,623	Real estate
Doan Nhat Mechanical Electrical Joint Stock Company	31.82	33,577,464,421	31.82	33,912,160,175	Mechanical and Engineering
TOTAL		6,273,947,267,162		6,174,124,054,127	

(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).

16.3 Investments in associates (continued)

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

VND

	Cost of investment				Accumulated share of post-acquisition profit of the associates				Carrying amount		
	Beginning balance	Additions	Disposal	Ending balance	Beginning balance	Dividend declared	Share of profit of associates for the year	Disposal	Ending balance	Beginning balance	Ending balance
Thac Mo Hydropower JSC	382,178,855,776	-	-	382,178,855,776	359,704,055,097	(217,859,302,000)	169,051,094,482	-	310,895,847,579	741,882,910,873	693,074,703,355
Song Ba Ha Hydropower JSC	368,000,000,000	-	-	368,000,000,000	276,453,991,392	(158,240,000,000)	119,959,362,378	-	238,173,353,770	644,453,991,392	606,173,353,770
Central Hydropower JSC	664,466,884,098	2,648,977,515	-	667,115,861,613	30,247,316,281	(92,310,390,400)	82,808,842,685	-	20,745,768,566	694,714,200,379	687,861,630,179
IDCO Srok Phu Mieng Hydropower JSC	173,265,171,175	-	-	173,265,171,175	24,282,803,683	(18,520,671,600)	30,805,982,027	-	36,568,114,110	197,547,974,858	209,833,285,285
Binh Dien Hydropower JSC	59,910,716,000	-	-	59,910,716,000	69,079,365,815	(17,765,820,000)	20,414,257,992	-	71,727,803,807	128,990,081,815	131,638,519,807
Pha Lai Thermal Power JSC	825,727,978,499	-	(21,125,346,802)	804,602,631,697	399,245,512,428	(81,300,687,000)	88,040,734,202	(10,686,817,799)	395,298,741,831	1,224,973,490,927	1,199,901,373,528
Ninh Binh Thermal Power JSC	66,358,149,275	-	-	66,358,149,275	11,782,453,982	(4,926,220,000)	291,264,399	-	7,147,498,381	78,140,603,257	73,505,647,656
Song Da Water Investment JSC	691,163,889,610	-	-	691,163,889,610	201,043,624,468	(26,960,000,000)	12,746,599,427	-	186,830,223,895	892,207,514,078	877,994,113,505
Thu Duc Water B.O.O Corporation	409,901,420,000	-	-	409,901,420,000	(100,128,606,582)	(65,727,368,000)	69,060,586,643	-	(96,795,387,939)	309,772,813,418	313,106,032,061
Saigon Water Investment and Trading JSC	61,560,000,000	-	-	61,560,000,000	336,666,140,206	(35,999,700,000)	117,783,143,216	-	418,449,583,422	398,226,140,206	480,009,583,422
Khanh Hoa Water Supply JSC	254,626,200,010	-	-	254,626,200,010	3,321,532,391	(13,178,088,000)	23,853,876,101	-	13,997,320,492	257,947,732,401	268,623,520,502
Tan Hiep Water Investment JSC	76,800,000,000	-	-	76,800,000,000	81,722,133,492	(69,120,000,000)	64,215,874,832	-	76,818,008,324	158,522,133,492	153,618,008,324
Thu Duc Water Supply JSC	68,375,426,417	-	-	68,375,426,417	19,567,840,888	(12,766,048,000)	28,180,291,058	-	34,982,083,946	87,943,267,305	103,357,510,363
Nha Be Water Supply JSC	40,176,895,080	-	-	40,176,895,080	4,084,271,869	(2,945,835,000)	1,784,568,581	-	2,923,005,450	44,261,166,949	43,099,900,530
Gia Dinh Water Supply JSC	24,809,965,209	-	-	24,809,965,209	10,332,079,770	(3,809,376,000)	3,698,402,543	-	10,221,106,313	35,142,044,979	35,031,071,522
Saigon Real Estate JSC	54,457,202,000	-	-	54,457,202,000	191,028,625,623	(17,319,067,000)	27,279,554,580	-	200,989,093,203	245,485,827,623	255,446,295,203
Su Pan 2 Hydropower Joint Stock Company	-	98,720,398,810	-	98,720,398,810	-	-	9,374,854,919	-	-	-	108,095,253,729
Doan Nhat Mechanical Electrical JSC	15,050,000,000	-	-	15,050,000,000	18,862,160,175	(8,161,230,000)	7,826,534,246	-	18,527,464,421	33,912,160,175	33,577,464,421
TOTAL	4,236,828,753,149	101,369,376,325	(21,125,346,802)	4,317,072,782,672	1,937,295,300,978	(846,909,803,000)	877,175,804,311	(10,686,817,799)	1,956,874,484,490	6,174,124,054,127	6,273,947,267,162

16.4 Investments in other entities

VND

Names of companies	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Southern Hydropower Joint Stock Company	203,724,611,604	-	349,523,216,350	203,724,611,604	-	296,786,116,050
Hai Phong Thermal Power Joint Stock Company	32,619,000,000	-	41,400,000,000	32,619,000,000	-	39,000,000,000
Others	50,165,003,529	-	50,165,003,529	50,165,003,529	-	50,165,003,529
TOTAL	286,508,615,133	-	441,088,219,879	286,508,615,133	-	385,951,169,579

17. Goodwill

VND

	Muong Hum	IED	VSH	Thuan Binh	Others	Total
Cost:						
Beginning and ending balances	256,604,003,370	329,160,846,042	94,179,342,393	17,853,543,987	106,538,250,719	804,335,986,511
Accumulated amortisation:						
Beginning 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
Amortisation for the year	25,660,400,337	32,916,084,604	9,417,934,239	1,785,354,399	618,795,452	70,398,569,031
Ending balance	106,918,334,735	49,374,126,906	25,899,319,157	7,141,417,594	102,051,983,698	291,385,182,090
Net carrying amount:						
Beginning 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
Ending balance	149,685,668,635	279,786,719,136	68,280,023,236	10,712,126,393	4,486,267,021	512,950,804,421

18. Short-term trade payables

VND

	Ending balance	Beginning balance
Hydrochina Huadong Engineering Coporation – CR 18G	84,420,271,971	84,420,271,971
Central Construction Joint Stock Company	60,735,695,874	-
Others	474,012,473,355	565,522,036,702
TOTAL	619,168,441,200	649,942,308,673

19. Short-term advances from customers

VND

	Ending balance	Beginning balance
Supply and installation services	699,685,128,608	790,855,945,817
Others	7,206,957,177	19,587,705,015
TOTAL	706,892,085,785	810,443,650,832
In which:		
<i>Amount due from third parties</i>	706,773,007,662	809,836,883,593
<i>Amount due from a related party (Note 34)</i>	119,078,123	606,767,239

20. Statutory obligations

VND

	Beginning balance	Increase during the year	Decrease during the year	Ending
Payables				
Corporate income tax	168,944,488,889	291,243,720,940	(371,511,766,178)	88,676,443,651
Value-added tax	48,564,082,729	605,840,485,886	(606,228,965,241)	48,175,603,374
Personal income tax	7,411,967,984	37,177,238,519	(39,298,211,464)	5,290,995,039
Others	67,062,926,626	377,452,905,167	(383,558,082,358)	60,957,749,435
TOTAL	291,983,466,228	1,311,714,350,512	(1,400,597,025,241)	203,100,791,499
Receivables				
Corporate income tax	4,890,805,433	-	(833,952,759)	4,056,852,674
Others	1,308,506,905	26,196,156,260	(14,249,050,643)	13,255,612,522
TOTAL	6,199,312,338	26,196,156,260	(15,083,003,402)	17,312,465,196

21. Short-term accrued expenses

VND

	Ending balance	Beginning balance
Costs of supply and installation services	427,342,435,076	286,199,218,667
Interest expense	101,721,472,891	152,983,384,308
Promotions	5,237,821,489	3,869,035,898
Others	105,048,601,370	130,721,760,519
TOTAL	639,350,330,826	573,773,399,392

22. Unearned revenue

VND

	Ending balance	Beginning balance
Short-term	2,121,159,459	1,017,889,392
Rental fee	2,121,159,459	1,017,889,392
Long-term	329,545,456	1,147,727,272
Rental fee	329,545,456	1,147,727,272
TOTAL	2,450,704,915	2,165,616,664

23. Other payables

VND

	Ending balance	Beginning balance
Short-term	465,542,804,067	219,514,673,044
Dividend payables	429,884,010,465	145,414,836,401
Purchase of investments	6,249,259,000	7,249,259,000
Others	29,409,534,602	66,850,577,643
Long-term	450,928,256,128	450,928,600,880
Deposits received from office tenants	249,194,403,704	249,194,403,704
Guarantee fee (*)	201,734,197,176	201,734,197,176
TOTAL	916,471,060,195	670,443,273,924

(*) This represented payable to Huadong – CR18G Consortium ("Consortium") regarding to the Group collected the contract performance guarantee of Consortium.

24. Loans

VND

	Beginning balance	Withdraw	Repayment	Reclassification	Revaluation	Allocation of bond issuance expenses	Ending balance
Short-term	1,455,134,067,019	1,344,478,128,671	(2,495,707,755,221)	843,564,621,821	90,461,810,748	-	1,237,930,873,038
Loans from banks (Note 24.1)	764,063,938,928	1,344,478,128,671	(1,704,701,419,152)	-	-	-	403,840,648,447
Current portion from banks of long-term loans (Note 24.2)	683,070,128,091	-	(783,006,336,069)	843,564,621,821	90,461,810,748	-	834,090,224,591
Current portion of domestic straight bonds (Note 24.3)	8,000,000,000	-	(8,000,000,000)	-	-	-	-
Long-term	9,945,950,959,393	1,544,116,038,603	(1,094,060,189,995)	(843,564,621,821)	(54,378,169,215)	6,824,055,234	9,504,888,072,199
Loans from financial institutions (Note 24.2)	7,595,923,578,657	1,544,116,038,603	(1,036,060,189,995)	(843,564,621,821)	(54,378,169,215)	-	7,206,036,636,229
Domestic straight bonds (Note 24.3)	2,350,027,380,736	-	(58,000,000,000)	-	-	6,824,055,234	2,298,851,435,970
TOTAL	11,401,085,026,412	2,888,594,167,274	(3,589,767,945,216)	-	36,083,641,533	6,824,055,234	10,742,818,945,237

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 6.8% per annum. Details are as follows:

Bankers	Ending balance	Maturity date	Description of collateral
	VND		
	239,287,635,904	From 4 April 2024 to 24 June 2024	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade	31,419,758,011	From 21 March 2024 to 24 June 2024	Unsecured
	49,643,862,563	From 15 January 2024 to 21 June 2024	Unsecured
Joint Stock Bank for Foreign Trade of Vietnam	4,854,076,224	From 18 May 2024 to 9 June 2024	Deposit contracts
	27,559,175,127	From 13 March 2024 to 22 March 2024	Unsecured
Malayan Banking Berhad – Ho Chi Minh Branch	19,060,345,078	From 18 January 2024 to 15 March 2024	Unsecured
	23,844,026,860	From 23 April 2024 to 29 April 2024	Unsecured
Vietnam International Commercial Joint Stock Bank			
Military Commercial Joint Stock Bank	8,171,768,680	26 June 2024	Unsecured
TOTAL	403,840,648,447		

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 in term SORF+2.97%/year+Credit difference (0.42826%/year) and in VND ranging from 5.53% to 10.45% per annum.

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

Lenders	Ending balance	Maturity date	Description of collateral
	VND		
Vietnam International Commercial Joint Stock Bank - VIB - VIB/TBW/0723	1,018,000,000,000	22 November 2031	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
Raiffeisen Landesbank Oberosterreich Bank (i) - Agreement dated 28 March 2013 (USD)	422,138,851,803	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.
EWN Finance Joint Stock Company - 01/2014/HDCVL/TCDL/ TBW/Phu Lac (EUR)	314,285,277,467	30 December 2027	All assets related to Phu Lac Wind Power Factory of Thuan Binh, located at Tuy Phong District, Binh Thuan Province
Vietnam Development Bank - Central South Branch (ii) - 01/TDNN (USD)	89,980,450,708	1 June 2035	A part of assets belong to Song Hinh Hydropower Plant.

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

Lender	Ending balance	Maturity date	Description of collateral
VND			
Bank for Investment and Development of Vietnam Joint Stock Company ("BIDV") - Binh Dinh Branch			
- No. 01/2015/HDTD with credit limit of VND 850 billion	682,579,914,217	8 October 2030	(iii)
- No. 01/2017/HDTD with credit limit of VND 600 billion	494,882,000,000	8 October 2030	(iii)
Joint-Stock Commercial Bank for Foreign Trade of Vietnam - Kon Tum Branch			
- No. 01/2015/HDTD with credit limit of VND 700 billion	639,010,146,384	13 July 2030	(iii)
- No. 01/2017/HDTD with credit limit of VND 500 billion	228,228,998,000	8 October 2030	(iii)
Joint Stock Commercial Bank For Foreign Trade of Vietnam - Binh Tay Branch			
- 021C16	381,893,734,748	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
Ho Chi Minh City Development Joint Stock Commercial Bank ("HDBank") - Hiep Phu Branch			
- No. 04/2015/HDTD with credit limit of VND 950 billion	429,453,149,186	22 September 2030	(iii)

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		
Asia Commercial Bank ("ACB") – Binh Dinh Branch – No. 01/2015/HĐTD with credit limit of VND 950 billion	389,063,500,000	22 September 2030	(iii)
Joint-Stock Commercial Bank for Foreign Trade of Vietnam – Gia Lai Branch – No. 01/2015/HĐTD with credit limit of VND 400 billion	363,753,562,524	13 July 2030	(iii)
HSBC Bank (Vietnam) Ltd.			
– VNM160065/1CM	267,702,277,220	26 November 2027	All machineries and equipment are solar panels and other equipment related to rooftop solar power system from REE Solar and/or Subsidiaries
– VNM163048VM	191,235,452,824	13 January 2030	Land use rights; building and amount receivable from office lease of REE Tower at No. 9 Doan Van Bo Street, District 4; No. 362-366 Nguyen Trai Street, Ward 8, District 5; No. 61-63 Ba Hom Street, Ward 13, District 6; No. 180 Pasteur Street, Ben Nghe Ward, District 3, Ho Chi Minh City
– VNM170276CM	70,714,285,714	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")
Vietnam Development Bank – Lai Chau Branch – 08/2015/HĐTĐĐT–NHPT	200,683,000,000	20 October 2027	Land use rights and attached assets related to Nam Ban 2 Hydropower Project according to Decision No.04/12/2014/QĐ-HĐTV–NB2 dated 29 May 2015.

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

Lender	Ending balance	Maturity date	Description of collateral
VND			
Shinhan Bank Vietnam			
- HBVN/CMC/122022/HDTD/THACBA2	159,464,207,967	25 November 2034	Receivables from land, all assets of Thac Ba 2 Hydropower Plant, Receivables under power purchase contracts, guarantee contracts of TBC and PECC2
- SHBVN/CMC/212022/HDTD/MHP	105,000,000,000	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
Joint Stock Commercial Bank For Foreign Trade of Vietnam - Ho Chi Minh City Branch			
- 0094/2038/D-DA/01	1,156,140,557,250	20 September 2033	All assets, machinery and equipment formed in the future belong to Tra Vinh Wind Power Plant Project VI-3
- No.503/TBN-KDN/23TH	100,000,000,000	24 July 2026	Property rights arising from the Project Receivables from land plot number 654, 655, 656, 657, 658, 660, 661, 662 map sheet number 18 and land plot number 77 map sheet number 17 of REE Land
- 0146/2038/D-DA/01	29,224,000,000	19 January 2029	
- 562/TBN-KDN/21DH	34,100,000,000	2 February 2029	
- 0001/2138/D-DA/01	171,838,809,347	2 August 2029	A part of machinery and equipment of solar panels related to rooftop solar power system from the Company and its subsidiaries
- 0002/2138/D-DA/01	52,101,320,826	2 February 2029	
- 0002/2138/D-DA/01	48,653,364,635	2 February 2029	
TOTAL	8,040,126,860,820		
In which:			
Current portion	834,090,224,591		
Non-current portion	7,206,036,636,229		

24.2 Long-term financial institution loans (continued)

I. 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.

II. These loans were from official development assistance ("ODA") of Nordic 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.

III. 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.

24.3 Domestic straight bonds

Details of this bond as at 31 December 2023 are as follows:

Arrangement organization	Amount
	VND
REE-BOND 2029 (i)	2,318,000,000,000
Bond issuance costs	(38,297,128,070)
Allocation of bond issuance costs	19,148,564,040
TOTAL	2,298,851,435,970
<i>In which:</i>	
Current portion	-
Non-current portion	2,298,851,435,970

(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).

25. Provisions

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

	Goods warranty	Installation project warranty	Total	VND
Beginning balance	579,262,259	47,500,288,552	48,079,550,811	
Add: Provision provided during the year	1,186,365,809	13,681,194,998	14,867,560,807	
Less: Reversal of provision during the year	(910,509,704)	(4,094,243,683)	(5,004,753,387)	
Ending balance	855,118,364	57,087,239,867	57,942,358,231	
In which:				
Short-term	855,118,364	4,714,314,277	5,569,432,641	
Long-term	-	52,372,925,590	52,372,925,590	

26. Owners' equity

26.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
						VND
Previous year						
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
Current year						
Beginning 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
Stock dividend(*)	533,037,760,000	-	-	-	(533,037,760,000)	-
Cash dividend (*)	-	-	-	-	(355,402,569,000)	(355,402,569,000)
Net profit for the year	-	-	-	-	2,188,316,658,468	2,188,316,658,468
Funds contribution	-	-	-	180,912,627,012	(180,912,627,012)	-
Appropriation to bonus and welfare funds	-	-	-	-	(8,183,605,526)	(8,183,605,526)
Others	-	-	-	-	(12,935,394,810)	(12,935,394,810)
Ending balance	4,097,142,600,000	1,050,489,310,786	(47,622,230,162)	415,591,264,689	11,802,464,925,759	17,318,065,871,072

(*) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 02/2023/DHDCD-NQ dated 31 March 2023, the Group's shareholders approved the dividend payment of 25% for 2022 from the undistributed earnings, in which, dividends are paid 10% in cash and 15% in shares. Accordingly, on 29 May 2023, the Group completed the issuance of stock dividends, was approved by the DPI of Ho Chi Minh City via issuance of the 28th amended ERC dated 12 June 2023.

26.2 Capital transactions with shareholders and distribution of dividends

VND

	Current year	Previous year
Contributed share capital		
Beginning balance	3,564,104,840,000	3,100,588,410,000
Stock dividend	533,037,760,000	463,516,430,000
Ending balance	4,097,142,600,000	3,564,104,840,000
Dividends		
Dividends declared	888,440,329,000	772,567,356,000
Dividends paid during the year	352,029,359,650	306,041,313,190

26.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Issued shares		
Issued and paid-up shares	409,714,260	356,410,484
<i>Ordinary shares</i>	409,714,260	356,410,484
Treasury shares		
<i>Ordinary shares</i>	(1,007,915)	(1,007,915)
Shares in circulation		
<i>Ordinary shares</i>	408,706,345	355,402,569

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	3,697,421,830,798	3,055,902,366,346
Acquisition of subsidiary	14,221,106	110,694,547,125
Net profit for the year	598,341,405,753	822,860,384,747
Capital contribution during the year	-	1,471,000,000
(Decrease) increase due to change in ownership interests in subsidiaries	(23,667,047,760)	50,889,247,142
Dividend declared	(815,466,188,305)	(336,030,159,549)
Appropriation to bonus and welfare funds	(5,739,403,420)	(8,502,618,122)
Others	1,130,548,744	137,063,109
Ending balance	3,452,035,366,916	3,697,421,830,798

26.5 Earnings per share

Earnings per share are calculated as follows:

	VND	
	Curent year	Previous year
Net profit after tax attributable to ordinary equity holders (VND)	2,188,316,658,468	2,692,516,590,418
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	2,188,316,658,468	2,692,516,590,418
Weighted average number of ordinary shares (*)	408,706,345	408,706,345
Earnings per share (VND/share)	-	-
Basic	5,354	6,588
Diluted	5,354	6,588

(*) Weighted average number of ordinary shares for basic earnings for the year ended 31 December 2022 was restated compared to the past data presented in the consolidated financial statements in year 2022 to reflect the issuance of shares appropriated from stock dividends at the ratio of 15% during the the year 2023 according to the Resolution of the Annual General Meeting of Shareholders No. 02/2023/DHDCD-NQ dated 31 March 2023.

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	
	Curent year	Previous year
Gross revenues	8,579,347,840,237	9,377,949,892,489
Of which:		
Revenue from power and water	4,868,165,146,700	5,519,040,841,787
Revenue from mechanical and refrigeration electrical engineering	2,662,512,905,758	2,822,307,718,348
Revenue from real estate and office leasing	1,048,669,787,779	1,036,601,332,354
Less	(9,429,498,460)	(6,022,115,163)
Sales return	(6,570,369,168)	(1,089,293,934)
Sales discount	(2,859,129,292)	(4,932,821,229)
NET REVENUES	8,569,918,341,777	9,371,927,777,326
Of which:		
Revenue from power and water	4,868,165,146,700	5,519,040,841,787
Revenue from mechanical and refrigeration electrical engineering	2,653,083,407,298	2,816,285,603,185
Revenue from real estate and office leasing	1,048,669,787,779	1,036,601,332,354

27.2 Finance income

	VND	
	Curent year	Previous year
Interest income	124,236,578,475	118,702,191,778
Dividends income	82,750,333,772	44,593,877,307
Gains from disposal of investments	17,334,262,735	11,511,021,478
Foreign exchange gains	2,720,036,900	8,025,601,634
Others	14,339,548	3,959,017,689
TOTAL	227,055,551,430	186,791,709,886

28. Costs of goods sold and services rendered

VND

	Current year	Previous year
Cost of power and water	2,298,970,273,407	2,202,212,053,400
Cost of mechanical and refrigeration electrical engineering	2,269,904,960,242	2,455,769,884,942
Cost of real estate and office leasing	291,104,337,054	384,162,129,662
TOTAL	4,859,979,570,703	5,042,144,068,004

29. Finance expenses

VND

	Current year	Previous year
Interest expense and allocation of bond issuance expenses	942,709,678,643	887,764,661,798
Foreign exchange losses	58,747,787,836	50,202,794,387
Others	14,969,241,901	3,665,386,072
TOTAL	1,016,426,708,380	941,632,842,257

30. Selling expense and general and administrative expenses

VND

	Current year	Previous year
Selling expenses	92,540,436,139	88,908,329,412
Labour costs	59,823,066,610	58,503,869,284
Expenses for external services	6,550,301,972	16,121,585,870
Others	26,167,067,557	14,282,874,258
General and administrative expenses	663,075,670,866	577,624,360,997
Provision for doubtful receivables	223,787,933,827	90,069,450,732
Labour costs	210,864,506,751	272,942,440,268
Expenses for external services	79,015,278,856	75,261,195,479
Goodwill amortization	70,421,157,817	53,940,526,729
Others	78,986,793,615	85,410,747,789
TOTAL	755,616,107,005	666,532,690,409

31. Other income and other expenses

VND

	Current year	Previous year
Other income	21,973,706,432	43,804,003,691
Gains from disposal of assets	-	1,198,786,734
Compensations	686,803,844	23,445,522,269
Others	21,286,902,588	19,159,694,688
Other expenses	8,007,546,701	151,095,155,913
Penalty and compensation	2,237,465,306	2,292,193,472
Litigation costs	700,000,000	28,885,873,950
Loss from disposal of assets	501,973,220	-
Write-off of assets	24,450,841	99,473,267,506
Others	4,543,657,334	20,443,820,985
OTHER PROFIT (LOSS)	13,966,159,731	(107,291,152,222)

32. Production and operating costs

VND

	Current year	Previous year
Raw materials	1,350,214,515,864	1,710,020,727,910
Depreciation and amortisation (Notes 12, 13, 15 and 17)	1,263,900,546,872	1,225,256,688,185
Expenses for external services	935,594,316,874	991,605,998,944
Labour costs	645,858,245,769	672,804,406,074
Other expenses	1,269,895,522,462	1,274,340,097,059
TOTAL	5,465,463,147,841	5,874,027,918,172

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	292,011,524,952	369,697,956,950
Adjustment for under accrual of tax from prior years	66,148,747	329,561,435
Current CIT expense	292,077,673,699	370,027,518,385
Deferred tax income	(22,642,266,759)	(6,843,413,041)
TOTAL	269,435,406,940	363,184,105,344

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

VND

	Current year	Previous year
Accounting profit before tax	3,056,093,471,161	3,878,561,080,509
At CIT rate of 20% applicable to the Group	611,218,694,232	775,712,216,102
<i>Adjustments to increase (decrease)</i>		
Share of profit of associates	(175,435,160,862)	(215,488,469,238)
Dividends income not subject to CIT	(16,550,066,754)	(8,918,775,461)
Non-deductible expenses	25,888,589,702	36,127,855,154
Allocation on revaluation of VSH's assets	212,112,699	276,823,855
Adjustment related to Decree	3,489,961,200	1,870,139,285
No. 132/2020/ND-CP	14,079,713,806	10,907,572,773
Tax losses of subsidiaries	66,148,747	329,561,435
Goodwill amortization	(155,637,266,046)	(237,914,195,307)
Adjustment for under accrual of CIT	(42,987,493,960)	(14,782,809,229)
in prior years	5,090,174,176	15,064,185,975
Tax incentives at subsidiaries	269,435,406,940	363,184,105,344

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	Current year	Previous year
Deferred tax assets					
Provision for doubtful short-term receivables	13,288,070,824	13,288,070,824	-	-	(645,979,837)
Accrued operating expenses	34,296,018,786	17,874,759,630	16,421,259,156	16,421,259,156	6,000,130,125
Unrealised profit	13,955,950,124	9,789,753,255	4,166,196,869	4,166,196,869	(336,463,046)
Unbilled contract profit	6,910,296,406	9,156,294,381	(2,245,997,975)	(2,245,997,975)	2,709,119,134
Provision for obsolete inventories	5,647,967,799	1,216,667,544	4,431,300,255	4,431,300,255	334,506,389
Provision for investments	(6,717,042,986)	(3,604,732,724)	(3,112,310,262)	(3,112,310,262)	(1,252,011,883)
Others	3,008,818,526	26,999,810	2,981,818,716	2,981,818,716	(44,930,452)
	70,390,079,479	47,747,812,720			
Deferred tax liabilities					
Gains on revaluation of VSH's assets	(188,013,161,945)	(188,013,161,945)	-	-	-
Others	(1,088,124,294)	(1,088,124,294)	-	-	79,042,611
	(189,101,286,239)	(189,180,328,850)			
Net deferred tax income			22,642,266,759	22,642,266,759	6,843,413,041

34. Transactions and balances with related parties

List of related parties as at 31 December 2023 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
Su Pan 2 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

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	81,300,687,000	34,828,317,000
Thac Mo Hydropower Joint Stock Company	Associate	Dividend income	217,859,302,000	113,406,212,000
		Rental income	2,317,237,102	5,691,752,174
		Purchase of service	778,537,720	750,397,313
		Service income	-	31,272,727
Song Ba Ha Hydropower Joint Stock Company	Associate	Dividend income	158,240,000,000	96,000,000,000
Central Hydropower Joint Stock Company	Associate	Dividend income	92,310,390,400	95,026,300,800
Thu Duc Water B.O.O Corporation	Associate	Dividend income	65,727,368,000	65,727,368,000
		Sales of goods	-	32,677,480,272
Tan Hiep Water Investment Joint Stock Company	Associate	Dividend income Sales of goods	69,120,000,000 -	23,040,000,000 99,934,000
Saigon Real Estate Joint Stock Company	Associate	Dividend income	17,319,067,000	8,659,533,500
Saigon Water Investment and Trading Joint Stock Company	Associate	Dividend income	35,999,700,000	23,999,800,000
Idico Stok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	18,520,671,600	43,214,900,400
Khanh Hoa Water Supply Joint Stock Company	Associate	Dividend income	13,178,088,000	12,467,612,208
		Sales of goods	-	4,311,813,491
Ninh Binh Thermal Power Joint Stock Company	Associate	Dividend income	4,926,220,000	5,684,100,000
Thu Duc Water Supply Joint Stock Company	Associate	Dividend income	12,766,048,000	4,505,664,000
Binh Dien Hydropower Joint Stock Company	Associate	Dividend income	17,765,820,000	9,869,900,000
Nha Be Water Supply Joint Stock Company	Associate	Dividend income	2,945,835,000	2,618,520,000
Gia Dinh Water Supply Joint Stock Company	Associate	Dividend income	3,809,376,000	1,904,688,000
Song Da Water Investment Joint Stock Company	Associate	Lending reimbursement	94,800,000,000	-
		Dividend income	26,960,000,000	80,880,000,000
		Interest income	3,785,808,217	4,810,465,749
		Lending	-	73,800,000,000
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Sales of goods	8,206,875,508	652,138,604
		Dividend income	8,161,230,000	4,804,800,000

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

Related parties	Relationship	Transactions	Current year	Previous year
VND				
Short-term trade receivables				
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Service income	2,429,084,712	343,435,052
Thu Duc Water B.O.O Corporation	Associate	Others	-	20,161,659,809
TOTAL			2,429,084,712	20,505,094,861
Short-term loan receivable				
Song Da Water Investment Joint Stock Company	Associate	Lending	-	94,800,000,000
Advance from customer				
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Service income	119,078,123	606,767,239
Other short-term receivables				
Central Hydropower Joint Stock Company	Associate	Dividend income	28,459,523,200	39,989,762,400
Thu Duc Water B.O.O Corporation	Associate	Dividend income	21,126,654,000	-
Pha Lai Thermal Power Joint Stock Company	Associate	Dividend income	20,739,719,000	-
Saigon Real Estate Joint Stock Company	Associate	Dividend income	17,319,067,000	-
Idico Srok Phu Mieng Hydropower Joint Stock Company	Associate	Dividend income	-	20,214,900,400
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
TOTAL			87,644,963,200	79,088,388,825

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 2023 are unsecured (except bond at Note 23.3), interest free and will be settled in cash. For the year ended 31 December 2023 and 31 December 2022, 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

		Current year	Previous year
Remuneration of the Board of Directors		10,680,000,000	9,810,000,000
Madam Nguyen Thi Mai Thanh	Chairwoman	4,440,000,000	4,230,000,000
Mr Alain Xavier Cary	Deputy Chairman	2,040,000,000	1,740,000,000
Ms Hsu Hai Yeh (appointed on 31 March 2023)	Member	900,000,000	-
Mr Huynh Thanh Hai	Member	-	120,000,000
Mr Nguyen Ngoc Thai Binh	Member	-	120,000,000
Mr Stephen Patrick Gore (resigned on 31 March 2023)	Member	300,000,000	1,020,000,000
Mr Do Le Hung	Independent member	1,800,000,000	1,560,000,000
Mr Mark Andrew Hutchinson	Independent member	1,200,000,000	900,000,000
Mr Dang Hong Tan (resigned on 31 March 2022)	Independent member	-	120,000,000
Salaries of Management		9,600,000,000	8,120,460,000
Mr Huynh Thanh Hai	General Director	4,800,000,000	3,600,000,000
Mr Nguyen Ngoc Thai Binh	Deputy General Director	2,400,000,000	2,184,000,000
Mr Nguyen Quang Quyen	Deputy General Director	2,400,000,000	2,184,000,000
Mr Pham Quoc Thang (resigned on 8 February 2022)	Deputy General Director	-	152,460,000
Bonus of Management		800,000,000	25,361,640,000
TOTAL		21,080,000,000	43,292,100,000

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	35,576,551,003	20,295,701,051
From one to five years	6,519,293,180	23,737,099,730
Over five years	3,218,576,354	3,305,177,699
TOTAL	45,314,420,537	47,337,978,480

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	1,194,596,696,189	789,568,915,996
From one to five years	1,127,207,529,897	1,060,379,307,075
Over five years	161,609,345,496	1,328,675,287,021
TOTAL	2,483,413,571,582	3,178,623,510,092

35.3 Capital expenditure commitments

As at 31 December 2023, the Group had commitments of VND 392,663,823,672 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 four reportable operating segments as follows:

- Mechanical and electrical engineering services;
- Real estate;
- Energy; and
- Water & Environment.

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 2023 are as follows:

	VND				
	Mechanical and electrical engineering services	Real estate	Energy	Water & Environment	Consolidated
Sales					
Total segment sales	3,172,114,047,760	1,237,268,744,629	4,997,068,159,831	67,054,638,252	9,473,505,590,472
Inter-segment sales	(519,030,640,462)	(188,598,956,850)	(195,825,022,198)	(132,629,185)	(903,587,248,695)
TOTAL	2,653,083,407,298	1,048,669,787,779	4,801,243,137,633	66,922,009,067	8,569,918,341,777
Results					
Segment profit after tax (*)	(7,748,749,092)	591,422,697,502	1,880,274,427,257	327,219,817,004	2,791,168,192,671
Unallocated profit after tax					(4,510,128,450)
Total profit after tax					2,786,658,064,221
Of which:					
Parent company					
Segment profit after tax	(8,747,605,376)	561,952,949,404	1,315,390,953,975	324,230,488,915	2,192,826,786,918
Unallocated loss after tax					(4,510,128,450)
Non-controlling interest	998,856,284	29,469,748,098	564,883,473,282	2,989,328,089	598,341,405,753

The segment assets and liabilities for as at 31 December 2023 are as follows:

Segment assets	2,524,812,507,635	3,844,262,849,830	23,736,924,885,289	2,634,691,655,734	32,740,691,898,488
Unallocated assets					2,171,580,947,605
TOTAL ASSETS					34,912,272,846,093
Segment liabilities	2,018,559,598,428	956,531,666,270	9,357,196,643,294	19,646,343,910	12,351,934,251,902
Unallocated liabilities					1,790,237,356,203
TOTAL LIABILITIES					14,142,171,608,105

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

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

	Mechanical and electrical engineering services	Real estate	Energy	Water & Environment	Consolidated
Sales					VND
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)
TOTAL	2,816,285,603,185	1,036,601,332,354	5,364,856,825,115	154,184,016,672	9,371,927,777,326
Results					
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 loss after tax					(24,592,277,620)
Total profit after tax					3,515,376,975,165
Of which:					
Parent company					
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 loss 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	2,692,516,590,418
					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
TOTAL ASSETS					33,914,556,733,508
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
TOTAL LIABILITIES					14,710,864,120,770

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

37. Event after the balance sheet date

There is no any significant matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Pham Thi Uyen Phuong
Preparer



Ho Tran Dieu Linh
Chief Accountant



Huỳnh Văn Hai
General Director

8 March 2024

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