

AN CUONG WOOD - WORKING JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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AN CUONG WOOD-WORKING JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 3700748131 dated 20 September 2006.

The initial Business Registration Certificate No. 4602002303 dated 20 September 2006 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province. The 30th latest Enterprise Registration Certificate No. 3700748131 dated 10 May 2022.

Board of Directors

Mr. Le Duc Nghia	Chairman
Mr. Masao Kamibayashiyama	Vice chairman
Mr. Nguyen Minh Tuan	Member
Mr. Le Thanh Phong	Member
Mr. Tran Luong Thanh Tung	Member
	(until 22 December 2022)
Ms. Nguyen Thi Dieu Phuong	Member
	(from 23 December 2022)
	Independent member
	(until 22 December 2022)
Mr. Jess Rueloekke	Independent member
	(until 22 December 2022)
Mr. Phan Quoc Cong	Independent member
	(from 23 December 2022)
Mr. Nguyen Thanh Quyen	Independent member
	(from 23 December 2022)

Board of Management

Ms. Vo Thi Ngoc Anh	General Director
Mr. Le Thanh Phong	Deputy General Director
Ms. Nguyen Thi Hao	Deputy General Director
Ms. Nguyen Thi Kim Thoa	Deputy General Director
Ms. Nguyen Thi Duyen	Deputy General Director
Mr. Ngo Tan Tri	Deputy General Director
Ms. Thieu Thi Ngoc Diem	Chief Accountant

Board of Supervision

Ms. Tran Thi Ngoc Tue	Head
Ms. Tran Thi Kim Anh	Member
Ms. Mai Thi Phuong Thao	Member

Legal representative

Mr. Le Duc Nghia	Chairman
Ms. Vo Thi Ngoc Anh	General Director

Registered office

Land lot No. 681, Map No. 5, DT 747B Street,
Phuoc Hai Town, Thai Hoa Ward, Tan Uyen District,
Binh Duong Province, Viet Nam

Auditor

PwC (Vietnam) Limited

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of An Cuong Wood-Working Joint Stock Company (“the Company”) is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2022, and the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 5 to 50 which gives a true and fair view of the separate financial position of the Company as at 31 December 2022 and of the results of its separate operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and results of consolidated operations and consolidated cash flows of the Group.



On behalf of the Board of Management

Vo Thi Ngoc Anh
General Director

Binh Duong Province, SR Vietnam
28 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AN CUONG WOOD-WORKING JOINT STOCK COMPANY

We have audited the accompanying separate financial statements of An Cuong Wood-Working Joint Stock Company ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management on 28 March 2023. The separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement, the separate cash flow statement for the year then ended, and separate explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 50.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2022, its separate financial performance and separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matters

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

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No.
0875-2023-006-1
Authorised signatory

Nguyen Xuan Cuong
Audit Practising Licence No.
4349-2019-006-1

Report reference number: HCM13371
Ho Chi Minh City, 28 March 2023

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		2,430,244,352,161	2,217,537,211,863
110	Cash and cash equivalents	3	285,786,734,410	47,401,336,077
111	Cash		38,786,734,410	47,401,336,077
112	Cash equivalents		247,000,000,000	-
120	Short-term investments		866,000,000,000	1,150,145,044,955
123	Investments held to maturity	4(a)	866,000,000,000	1,150,145,044,955
130	Short-term receivables		549,599,335,714	321,860,331,778
131	Short-term trade accounts receivable	5	348,476,458,971	257,384,526,781
132	Short-term prepayments to suppliers	6	25,123,628,414	44,314,199,287
136	Other short-term receivables	7(a)	198,564,033,959	35,323,484,196
137	Provision for doubtful debts – short-term	8	(22,987,743,718)	(15,292,989,736)
139	Shortage of assets awaiting resolution		422,958,088	131,111,250
140	Inventories	9	698,932,385,372	684,372,791,169
141	Inventories		717,210,854,026	705,316,990,249
149	Provision for decline in value of inventories		(18,278,468,654)	(20,944,199,080)
150	Other current assets		29,925,896,665	13,757,707,884
151	Short-term prepaid expenses	10(a)	27,371,387,238	12,451,392,458
152	Value added Tax ("VAT") to be reclaimed	15(a)	1,333,331,682	1,147,247,382
153	Tax and other receivables from the State	15(a)	1,221,177,745	159,068,044

The notes on pages 10 to 50 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	NON-CURRENT ASSETS		2,109,540,952,400	1,817,959,147,468
210	Long-term receivables		364,461,972,146	320,178,586,405
216	Other long-term receivables	7(b)	364,461,972,146	320,178,586,405
220	Fixed assets		174,151,299,318	216,996,077,053
221	Tangible fixed assets	11(a)	160,889,579,088	200,394,361,654
222	Historical cost		475,131,484,000	478,000,584,854
223	Accumulated depreciation		(314,241,904,912)	(277,606,223,200)
227	Intangible fixed assets	11(b)	13,261,720,230	16,601,715,399
228	Historical cost		32,568,567,346	32,148,567,346
229	Accumulated amortisation		(19,306,847,116)	(15,546,851,947)
240	Long-term asset in progress		2,006,447,041	677,894,956
242	Construction in progress	12	2,006,447,041	677,894,956
250	Long-term investments		1,475,431,200,000	1,191,817,700,000
251	Investments in subsidiaries	4(b)	916,600,000,000	916,600,000,000
252	Investments in associates	4(b)	393,631,200,000	-
253	Investments in other entity	4(b)	119,200,000,000	119,200,000,000
255	Investments held to maturity	4(a)	46,000,000,000	156,017,700,000
260	Other long-term assets		93,490,033,895	88,288,889,054
261	Long-term prepaid expenses	10(b)	85,840,952,383	83,193,368,488
262	Deferred income tax assets	22	7,649,081,512	5,095,520,566
270	TOTAL ASSETS		4,539,785,304,561	4,035,496,359,331

The notes on pages 10 to 50 are an integral part of these separate financial statements.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		1,095,773,666,553	724,153,277,282
310	Current liabilities		1,088,987,347,386	719,619,873,532
311	Short-term trade accounts payable	13	319,977,099,228	196,565,701,449
312	Short-term advances from customers	14	103,216,991,711	129,331,886,843
313	Tax and other payables to the State	15(b)	83,447,540,876	18,308,712,235
314	Payable to employees	16	16,304,569,145	42,440,625,100
315	Short-term accrued expenses	17	20,127,143,508	12,831,245,241
318	Short-term unearned revenue		500,000,000	500,000,000
319	Other short-term payables	18	3,007,743,242	10,249,428,696
320	Short-term borrowings	19	520,147,652,725	309,037,950,536
322	Bonus and welfare funds	20	22,258,606,951	354,323,432
330	Non-current liabilities		6,786,319,167	4,533,403,750
342	Provision for long-term liabilities	21	6,786,319,167	4,533,403,750
400	OWNERS' EQUITY		3,444,011,638,008	3,311,343,082,049
410	Capital and reserves		3,444,011,638,008	3,311,343,082,049
411	Owners' capital	23, 24	1,358,461,220,000	876,503,440,000
411a	- Ordinary shares with voting rights		1,358,461,220,000	876,503,440,000
412	Share premium	24	1,419,298,588,703	1,419,304,688,703
415	Treasury shares	24	(653,230,147)	(653,230,147)
418	Investment and development funds	24	-	21,397,458,939
421	Undistributed earnings	24	666,905,059,452	994,790,724,554
421a	- Undistributed post-tax profits of previous years		75,983,470,486	555,172,388,873
421b	- Post-tax profits of current year		590,921,588,966	439,618,335,681
440	TOTAL RESOURCES		4,539,785,304,561	4,035,496,359,331



Nguyen Thi Hong Lan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Vo Thi Ngoc Anh
General Director
28 March 2023

The notes on pages 10 to 50 are an integral part of these separate financial statements.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code		Note	Year ended 31 December	
			2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services		2,954,308,935,698	2,044,996,820,322
02	Less deductions		(9,498,297,582)	(5,695,897,188)
10	Net revenue from sales of goods and rendering of services	27	2,944,810,638,116	2,039,300,923,134
11	Cost of goods sold and services rendered	28	(2,220,519,610,191)	1,599,839,689,170)
20	Gross profit from sales of goods and rendering of services		724,291,027,925	439,461,233,964
21	Financial income	29	431,254,337,431	394,241,047,270
22	Financial expenses	30	(36,818,336,982)	(14,252,632,930)
23	- Including: Interest expense	30	(18,725,124,935)	(12,719,611,187)
25	Selling expenses	31	(351,030,463,589)	(251,843,646,806)
26	General and administration expenses	32	(93,794,913,262)	(56,845,877,171)
30	Net operating profit		673,901,651,523	510,760,124,327
31	Other income		3,977,885,933	4,201,880,564
32	Other expenses		(1,145,391,700)	(943,575,031)
40	Net other income		2,832,494,233	3,258,305,533
50	Net accounting profit before tax		676,734,145,756	514,018,429,860
51	Corporate income tax ("CIT") - current	33	(88,366,117,736)	(55,891,630,041)
52	CIT - deferred	33	2,553,560,946	489,579,500
60	Net profit after tax		590,921,588,966	458,616,379,319



 Nguyen Thi Hong Lan
 Preparer



 Thieu Thi Ngoc Diem
 Chief Accountant



 Vo Thi Ngoc Anh
 General Director
 28 March 2023



The notes on pages 10 to 50 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		676,734,145,756	514,018,429,860
	Net accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	48,585,352,965	52,320,596,142
03	Provisions	7,281,938,973	14,351,475,883
04	Unrealised foreign exchange (gains)/losses	(1,983,839,896)	51,768,350
05	Profits from investing activities	(416,147,370,523)	(385,213,116,559)
06	Interest expense	18,725,124,935	12,719,611,187
08	Operating profit before changes in working capital	333,195,352,210	208,248,764,863
09	(Increase)/decrease in receivables	(78,176,213,404)	57,787,473,761
10	Increase in inventories	(11,893,863,777)	(120,660,446,582)
11	Increase/(decrease) in payables	77,495,387,110	(18,733,532,004)
12	(Increase)/decrease in prepaid expenses	(17,567,578,675)	14,976,209,601
14	Interest paid	(18,725,124,935)	(12,719,611,187)
15	CIT paid	(31,362,305,904)	(66,882,324,729)
17	Other payments on operating activities	(13,053,359,288)	(66,229,432,761)
20	Net cash inflows/(outflows) from operating activities	239,912,293,337	(4,212,899,038)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(7,303,375,934)	(7,709,391,534)
23	Lending and investments held to maturity	(1,159,000,000,000)	(1,362,625,530,311)
24	Collection of investments held to maturity	1,130,145,044,955	1,109,600,000,000
25	Investments in associate and other entity	(126,631,200,000)	(119,200,000,000)
27	Interest received from lendings, bank deposits, dividend and profit distributed	369,720,625,892	331,663,447,220
30	Net cash inflows/(outflows) from investing activities	206,931,094,913	(48,271,474,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	43,748,200,000	30,225,593,500
32	Payments for share repurchases	-	(65,000,000)
33	Proceeds from borrowings	1,405,479,395,865	1,751,935,050,777
34	Repayments of borrowings	(1,193,125,308,177)	(1,601,890,824,060)
36	Dividends paid	(464,650,732,500)	(104,826,892,800)
40	Net cash (outflows)/inflows from financing activities	(208,548,444,812)	75,377,927,417
50	Net increase in cash in year	238,294,943,438	22,893,553,754
60	Cash at the beginning of year	47,401,336,077	24,600,396,591
61	Effect of foreign exchange differences	90,454,895	(92,614,268)
70	Cash and cash equivalents at end of year	285,786,734,410	47,401,336,077

Additional information relating to the separate cash flow statement is presented in Note 35.



Nguyen Thi Hong Lan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Vo Thi Ngoc Anh
General Director
28 March 2023

The notes on pages 10 to 50 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 GENERAL INFORMATION

An Cuong Wood-Working Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to the initial Business Registration Certificate No. 4602002303 dated 20 September 2006 which was issued by the Department of Planning and Development of Binh Duong Province and the 30th latest Enterprise Registration Certificate No. 3700748131 dated 10 May 2022.

The owners of the Company include NC Vietnam Investment Company Limited, Whitlam Holding Pte. Ltd., Sumitomo Forestry (Singapore) Ltd. and other shareholders. Details of capital contributions are presented in Note 23.

The principal activity of the Company is to manufacture and trade wooden household, industrial wooden items, artificial boards, interior decoration, kitchen equipment, and other wooden related products; provide installation services.

The normal business cycle of the Company is within 12 months.

As at 31 December 2022, the Company had 3 direct subsidiaries, 1 indirect subsidiary and 1 associate as disclosed in Note 4(b). Details are as follows:

Name	Location	Principal activity	2022		2021		
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)	
Subsidiaries							
An Cuong Wood - Working Manufacturing Limited Company	Binh Duong Province	Manufacture and trade wooden products	100	100	100	100	
Malloca Vietnam Company Limited	Ho Chi Minh City	Trade Malloca-brand kitchen appliances	100	100	100	100	
An Khang MDF Company Limited	Tay Ninh Province	Manufacture and trade products from boards	51	51	-	-	
Indirect subsidiary							
AConcept Vietnam Limited Company (*)	Ho Chi Minh City	Wholesale and retail of interiors and interior decoration	100	100	100	100	
Associate							
Thang Loi Homes Joint Stock Company (formerly known as Central Hill Real Estate Joint Stock Company)	Ho Chi Minh City	Trade real estate	30	30	-	-	

1 GENERAL INFORMATION (continued)

(*) The indirect subsidiary is a subsidiary of Malloca Vietnam Company Limited.

As at 31 December 2022, the Company had 1,753 employees (as at 31 December 2021: 1,811 employees).

According to Resolution No. 637/QĐ-SGDHN dated 19 September 2022 issued by Hanoi Stock Exchange, the Company's shares were cancelled for registration of trading in UpCom.

According to Resolution No. 585/QĐ-SGDHCM dated 25 August 2022 and Notice No. 1761/TB-SGDHCM dated 28 September 2022 issued by Ho Chi Minh City Stock Exchange, the Company's shares were accepted to be listed and traded in HOSE Stock Exchange with the ticker ACG.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

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

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

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

Separately, the Company has also prepared consolidated financial statements of the Company and its subsidiaries (together, "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings, which are those companies over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and results of consolidated operations and consolidated cash flows of the Group.

2.2 Fiscal year

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency

The financial statements are measured and presented in Vietnamese Dong (“VND”), which is the Company’s accounting currency.

2.4 Exchange rate

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognized in the separate income statement.

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

2.5 Cash and cash equivalents

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

2.6 Receivables

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

Receivables are classified into short-term and long-term receivables on the separate balance sheet based on the remaining year from the separate balance sheet date to the maturity date.

2.7 Inventories

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

The Company applies the perpetual system for inventories.

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

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

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

Investments held-to-maturity include term deposits and the bond trusted-investment which the bond issuer is required to buy back in the future. Those investments are initially accounted for at cost. Subsequently, The Board of Management reviews all outstanding investment to determine the amount of provision to recognise at the year end.

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

Investments held to maturity are classified into short-term and long-term investments held to maturity on the separate balance sheet based on the remaining year from the separate balance sheet date to the remaining maturity date.

(b) Investments in subsidiaries

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

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

(c) Investments in associate

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

Investments in associate is initially recorded at cost of acquisition including capital contribution value plus other expenditures directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investments to determine the provision to recognise at the year end.

(d) Investments in other entity

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(d) Provision for investments in subsidiaries, associate and other entity**

Provision for investments in subsidiaries, associate and other entity is made when there is a diminution in value of the investments at the year end.

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

Provision for investments in other entity is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries, associate.

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

2.9 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

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

Plant and buildings	3% - 25%
Machinery	8% - 50%
Motor vehicles	8% - 33%
Office equipment	13% - 25%
Others	6% - 50%
Land use rights	3%
Software	13% - 50%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)**

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

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

Disposals

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

Construction in progress

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

2.10 Leased assets

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

2.11 Prepaid expenses

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

Prepayments for land rental contracts which are not recorded as intangible assets as described in Note 2.9 are recorded as prepaid expenses and allocated using the straight-line basis over the prepaid lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Payables**

Classifications of payables are based on their nature as follows:

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

Payables are classified into short-term and long-term payables on the separate balance sheet based on the remaining year from the separate balance sheet date to the maturity date.

2.13 Borrowings

Short-term borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on their remaining terms from the separate balance sheet date to the maturity date.

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

2.14 Accrued expenses

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

2.15 Provisions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the year during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working year for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the year prior to the separate balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.17 Owners' capital

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

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

Treasury shares brought before the effective date of the Securities Law (1 January 2022) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Company's results profit after CIT at the reporting date.

2.18 Appropriation of net profit

The Company's dividends are recognised as a liability in the Company's separate financial statements in the year in which the dividends are approved by the General Meeting of Shareholders and the Company has finalised the list of Shareholders receiving dividend in accordance with Resolution of the Board of Directors.

Net profit after CIT could be distributed to shareholders after approval at General Meeting of Shareholders and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Appropriation of net profit (continued)**

The Company's funds are as below:

(a) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Company's profit after CIT and subject to Shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the balance sheet. This fund is use for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of employees' benefits.

(b) Investment and development fund

The investment and development fund is appropriated from profit after CIT of the Company and approved by Shareholders in the General Meeting. This fund is use for the Company's expansion of its operation or in-depth investments.

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition (continued)****(b) Revenue from rendering of services**

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

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

(c) Interest income

Interest income is recognised on an earned basis and when it is probable that the economic benefits associated with the transaction will flow to the Company in the future.

(d) Dividend income and profit distributed

Income from dividend and profit distributed are recognised when the Company has established the receiving right from investees.

2.20 Sales deductions

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

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

2.21 Cost of goods sold and services rendered

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

2.22 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses of borrowing; losses incurred on selling foreign currencies and losses from foreign exchange differences.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Selling expenses

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

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2.25 Current and deferred income tax

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

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

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

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

2.26 Related parties

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

In considering its relationships with each related party, the Company considers the substance of the relationships, not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Segment reporting**

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

2.28 Critical accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.9 and 11);
- Estimation of provision for doubtful debts (Note 8) and provision for decline in value of inventories (Note 9);
- Recognition of deferred tax assets for difference between tax base and accounting base (Note 22).

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

3 CASH AND CASH EQUIVALENTS

	2022	2021
	VND	VND
Cash on hand	414,366,556	334,147,647
Cash at bank	38,372,367,854	47,067,188,430
Cash equivalents	247,000,000,000	-
	<u>285,786,734,410</u>	<u>47,401,336,077</u>

Cash and cash equivalent as at 31 December 2022 comprise of term deposits with an original maturity of less than 3 months and earn at the rate of 6% per annum .

4 INVESTMENTS

(a) Investments held-to-maturity

	2022		2021	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	866,000,000,000	866,000,000,000	1,150,145,044,955	1,150,145,044,955
ii. Long-term				
Term deposits (**)	46,000,000,000	46,000,000,000	-	-
Entrusted- investment (Note 7(a))	-	-	156,017,700,000	156,017,700,000
	46,000,000,000	46,000,000,000	156,017,700,000	156,017,700,000

(*) As at 31 December 2022, short-term investments held-to-maturity comprise of term deposits at commercial banks with remaining period less than 1 year and earn interest at the rate of 5.5% - 12% per annum (as at 31 December 2021: 5% - 7.6% per annum). In addition, the Company has pledged VND162 billions of these investments with banks as collateral assets for the Company's borrowings (Note 19).

(**) As at 31 December 2022, long-term investments held-to-maturity comprise of term-deposits at commercial banks with remaining period more than 12 months and earn interest at the rate of 11.5% per annum.

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4 INVESTMENTS (continued)

(b) Investments in subsidiaries, associate and other entity

	2022			2021		
	Book value VND	Ownership %	Provision VND	Book value VND	Ownership %	Provision VND
i. Investments in subsidiaries						
An Cuong Wood-Working Manufacturing Company Limited (*)	796,600,000,000	100	-	796,600,000,000	100	-
Malloca Vietnam Company Limited (*)	120,000,000,000	100	-	120,000,000,000	100	-
An Khang MDF Company Limited (**)	-	51	-	-	-	-
	<u>916,600,000,000</u>			<u>916,600,000,000</u>		

ii. Investments in associate

Thang Loi Homes Joint Stock Company (formerly known as Central Hill Real Estate Joint Stock Company, changed name from 8 September 2022) (*), (***)

	393,631,200,000	30	-	-	-	-
	<u>393,631,200,000</u>			<u>393,631,200,000</u>		

iii. Other long-term investments

Thang Loi Real Estate Joint Stock Company (*), (****)	119,200,000,000	12.97	-	119,200,000,000	12.97	-
	<u>119,200,000,000</u>			<u>119,200,000,000</u>		

(*) As at 31 December 2022 and 31 December 2021, the Company had not determined the fair value of these investments for disclosure in the separate financial statements since their shares are not listed, and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

4 INVESTMENTS (continued)**(b) Investments in subsidiaries, associate and other entity (continued)**

(**) Pursuant to Resolution No. 16-2022/NQ-GAC dated 24 October 2022, the Board of Directors of the Company approved the plan to contribute capital to establish An Khang MDF Company Limited. According to the initial Business Registration Certificate No. 3901331450 dated 27 October 2022, the Company owned 51% of charter capital of this company. As at 31 December 2022, the capital contribution has not yet made. On 16 January 2023, the Company has fully contributed the capital commitment which is VND10,200,000,000.

(***) Pursuant to the Resolution No. 04-2022/NQ-GAC dated 21 Mar 2022, the Board of Directors of the Company approved the plan to buy shares of Central Hill Real Estate Joint Stock Company. Accordingly, as at 31 December 2022, the Company owned 30% of the charter capital of this company.

(****) According to the Resolution of the Board of Directors No. 05-2021/NQ-GAC dated 15 April 2021, the Board of Directors of the Company approved the plan to buy shares of Thang Loi Real Estate Joint Stock Company. Accordingly, as at 31 December 2022, the Company owned 12.97% of the charter capital of this company.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022	2021
	VND	VND
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	45,704,544,547	9,814,249,920
Others	263,715,344,861	172,272,612,298
Related parties (Note 36(b))	39,056,569,563	75,297,664,563
	<u>348,476,458,971</u>	<u>257,384,526,781</u>

As at 31 December 2022 and 31 December 2021, the balances of short-term trade accounts receivable which were past due, amounted to VND33,351,118,362 and VND20,614,308,751, respectively as presented in Note 8.

As at 31 December 2022 and 31 December 2021, there were no other third-party customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

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6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Third parties		
Dat Moi Trading Service Joint Stock Company	2,653,701,897	4,208,196,759
Cata Electrodomesticos SL	2,564,450,694	1,745,366,199
Bao Kim Equipment Company Limited	286,878,779	4,353,502,257
Others	15,816,551,044	19,837,192,072
Related parties (Note 36(b))	3,802,046,000	14,169,942,000
	<u>25,123,628,414</u>	<u>44,314,199,287</u>

7 OTHER RECEIVABLES

(a) Short-term

	2022 VND	2021 VND
Entrusted-investment (*)	156,017,700,000	-
Interest income from entrusted-investment (Note 3)	18,720,311,067	5,319,221,533
Interest income from term deposits	18,066,530,507	22,331,991,970
Deposits	4,149,048,176	6,578,869,936
Advances to employees	1,387,873,529	712,469,464
Others	222,570,680	380,931,293
	<u>198,564,033,959</u>	<u>35,323,484,196</u>

(*) The Company entrusted VinaCapital Fund Management Joint Stock Company ("VinaCapital") to invest in corporate bonds and earned an expected interest at the rate of 13.8% per annum according to the contract No. GB2021001 dated 5 February 2021 signed between the Company and VinaCapital. These bonds were matured on 30 December 2022. At the date of these financial statements, VinaCapital is in the process of dealing with the bond issuer to collect this investment. According to the Board of Management's and VinaCapital's assessment, this investment will be fully recovered and hence, there's no impairment indicator which requires a provision to be made.

7 OTHER RECEIVABLES (continued)

(b) Long-term

	2022 VND	2021 VND
Deposits (*)	285,052,830,311	285,052,830,311
Interest receivables (Note 29, 35) (*)	68,790,574,235	31,733,706,294
Other deposits	10,618,567,600	3,392,049,800
	<u>364,461,972,146</u>	<u>320,178,586,405</u>

(*) According to Resolution No. 01-2021/NQ-GAC dated 11 January 2021 of the Board of Directors, the Company signed the purchase option agreements with Novareal Joint Stock Company for real estates of the Novaworld Phan Thiet project. Accordingly, the Company deposited VND285,052,830,311 in 2021. In addition, pursuant to the above agreements, until 15 March 2023, the Company can decide whether to exercise or not the real estate purchase option. At the date of these financial statements, the Company has confirmed to not exercise the real estate purchase option. According to the signed agreements, the Company will receive the entire deposits, together with the interest income calculated at the interest rate of 13% per annum from the date of the Company placed the deposits until the liquidation date of 15 March 2025. Accordingly, the Company recognised the above interest income in the separate financial statements for the year ended 31 December 2021 and 31 December 2022.

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8 DOUBTFUL DEBTS

	2022				Overdue period
	Cost VND	Recoverable amount VND	Provision VND	Overdue period	
Receivables that were past due					
Lao Cai - No.1 Construction and Trading Investment Joint Stock Company	18,799,490,297	9,399,745,149	9,399,745,149	Over 2 years, under 3 years	
Long Giang Investment and Urban Development Joint Stock Company	5,235,807,801	-	5,235,807,801	Over 2 years, under 3 years	
An Gia Hung Investment Construction Joint Stock Company	3,338,942,601	-	3,338,942,601	Over 3 years	
Others	5,976,877,663	963,629,496	5,013,248,167	Over 1 year	
	<u>33,351,118,362</u>	<u>10,363,374,645</u>	<u>22,987,743,718</u>		
	2021				Overdue period
	Cost VND	Recoverable amount VND	Provision VND	Overdue period	
Receivables that were past due					
Long Giang Investment and Urban Development Joint Stock Company	5,735,808,302	241,525,539	5,494,282,763	Over 1 year, under 2 years	
An Gia Hung Investment Construction Joint Stock Company	4,063,310,403	1,218,993,121	2,844,317,282	Over 2 years, under 3 years	
Hung Long Phat Investment and Construction Joint Stock Company	1,702,657,460	-	1,702,657,460	Over 3 years	
China Construction (S.E.A) Corporation Ltd.	1,656,140,069	493,169,829	1,162,970,240	Over 2 years, under 3 years	
Others	7,456,392,517	3,367,630,526	4,088,761,991	Over 6 months	
	<u>20,614,308,751</u>	<u>5,321,319,015</u>	<u>15,292,989,736</u>		

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9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods purchased in transit	27,858,140,925	-	29,791,784,042	-
Raw materials	402,482,294,220	(10,786,154,521)	386,118,197,571	(10,018,951,493)
Work in progress	124,037,465,903	(2,431,079,708)	114,350,979,197	(3,991,620,223)
Finished goods	125,995,998,180	(4,212,662,775)	143,371,563,394	(5,749,913,907)
Merchandise	29,965,698,784	(848,571,650)	31,684,466,045	(1,183,713,457)
Finished goods in transit	6,871,256,014	-	-	-
	<u>717,210,854,026</u>	<u>(18,278,468,654)</u>	<u>705,316,990,249</u>	<u>(20,944,199,080)</u>

Movements in the provision for decline in value of inventories during the year were as follows:

	2022 VND	2021 VND
Beginning of year	20,944,199,080	16,350,172,700
(Reversal of provision)/provision (Note 28)	(2,665,730,426)	4,594,026,380
End of year	<u>18,278,468,654</u>	<u>20,944,199,080</u>

10 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Advertising	10,156,785,302	2,017,515,472
Tools and supplies	5,723,400,406	2,946,499,453
Insurance	739,385,873	1,810,522,298
Rental	610,340,000	478,435,830
Others	10,141,475,657	5,198,419,405
	<u>27,371,387,238</u>	<u>12,451,392,458</u>

10 PREPAID EXPENSES (continued)

(b) Long-term

	2022 VND	2021 VND
Land rental (*)	64,419,790,083	66,240,059,645
Office and factory renovation	12,349,834,490	10,059,547,045
Tools and supplies	5,786,869,689	3,391,540,809
Rental	2,001,933,729	2,048,043,527
Others	1,282,524,392	1,454,177,462
	<u>85,840,952,383</u>	<u>83,193,368,488</u>

(*) As at 31 December 2022, land use rights of land lots No. 218 and No. 441 located in Binh Duong Province with the carrying amount of VND61,797,500,831 (as at 31 December 2021: VND50,595,095,962) have been pledged for short-term borrowings with bank (Note 19).

Movements in long-term prepaid expenses during the year were as follows:

	2022 VND	2021 VND
Beginning of year	83,193,368,488	97,364,398,195
Increase	18,207,227,852	11,913,219,118
Allocation during the year	(15,559,643,957)	(26,084,248,825)
End of year	<u>85,840,952,383</u>	<u>83,193,368,488</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2022	157,693,013,040	220,903,916,519	71,569,417,807	3,889,194,180	23,945,043,308	478,000,584,854
New purchases	-	182,333,000	5,196,840,849	175,650,000	-	5,554,823,849
Written-off	(627,693,754)	(2,326,282,604)	(874,390,909)	-	(3,540,479,786)	(7,368,847,053)
Disposals	(640,077,650)	-	(415,000,000)	-	-	(1,055,077,650)
As at 31 December 2022	156,425,241,636	218,759,966,915	75,476,867,747	4,064,844,180	20,404,563,522	475,131,484,000
Accumulated depreciation						
As at 1 January 2022	78,044,956,901	130,478,179,349	45,477,708,943	2,921,622,824	20,683,755,183	277,606,223,200
Charge for the year	13,413,270,520	22,515,251,479	7,298,505,638	626,397,290	971,932,869	44,825,357,796
Written-off	(627,693,754)	(2,326,282,604)	(874,390,909)	-	(3,540,479,786)	(7,368,847,053)
Disposals	(425,590,936)	-	(395,238,095)	-	-	(820,829,031)
As at 31 December 2022	90,404,942,731	150,667,148,224	51,506,585,577	3,548,020,114	18,115,208,266	314,241,904,912
Net book value						
As at 1 January 2022	79,648,056,139	90,425,737,170	26,091,708,864	967,571,356	3,261,288,125	200,394,361,654
As at 31 December 2022	66,020,298,905	68,092,818,691	23,970,282,170	516,824,066	2,289,355,256	160,889,579,088

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 December 2022 was VND77,388,426,143 (as at 31 December 2021: VND41,487,294,026).

As at 31 December 2022, tangible fixed assets with carrying value of VND30,164,505,782 (as at 31 December 2021: VND52,451,912,152) were pledged with banks as security for short-term borrowings granted to the Company (Note 19).

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11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2022	8,090,909,091	24,057,658,255	32,148,567,346
Purchase	-	420,000,000	420,000,000
As at 31 December 2022	<u>8,090,909,091</u>	<u>24,477,658,255</u>	<u>32,568,567,346</u>
Accumulated amortisation			
As at 1 January 2022	1,621,610,666	13,925,241,281	15,546,851,947
Charge for the year	221,804,517	3,538,190,652	3,759,995,169
As at 31 December 2022	<u>1,843,415,183</u>	<u>17,463,431,933</u>	<u>19,306,847,116</u>
Net book value			
As at 1 January 2022	<u>6,469,298,425</u>	<u>10,132,416,974</u>	<u>16,601,715,399</u>
As at 31 December 2022	<u><u>6,247,493,908</u></u>	<u><u>7,014,226,322</u></u>	<u><u>13,261,720,230</u></u>

Historical cost of intangible fixed assets fully amortised but still in use as at 31 December 2022 was VND3,398,852,090 (as at 31 December 2021: VND498,990,000).

As at 31 December 2022, intangible fixed assets with carrying value of VND6,247,493,908 (as at 31 December 2021: VND6,469,298,425) were pledged with banks as security for short-term borrowings granted to the Company (Note 19).

12 CONSTRUCTIONS IN PROGRESS

	2022 VND	2021 VND
Software under installation	934,020,000	-
Machinery and equipment	732,079,544	388,577,562
Office renovation	289,317,394	289,317,394
Others	51,030,103	-
	<u>2,006,447,041</u>	<u>677,894,956</u>

12 CONSTRUCTIONS IN PROGRESS (continued)

Movements of the construction in progress during the year were as follows:

	2022 VND	2021 VND
Beginning of year	677,894,956	2,660,373,746
Increase during the year	1,328,552,085	2,551,113,802
Transferred to tangible fixed assets	-	(4,069,992,592)
Transferred to intangible fixed assets	-	(463,600,000)
End of year	<u>2,006,447,041</u>	<u>677,894,956</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Vina Eco Board Limited	17,471,924,992	17,471,924,992	23,658,944,848	23,658,944,848
Others	169,825,764,725	169,825,764,725	115,889,234,809	115,889,234,809
Related parties (Note 36(b))	132,679,409,511	132,679,409,511	57,017,521,792	57,017,521,792
	<u>319,977,099,228</u>	<u>319,977,099,228</u>	<u>196,565,701,449</u>	<u>196,565,701,449</u>

As at 31 December 2022 and 31 December 2021, there was no balance of short-term trade accounts payable that was past due.

As at 31 December 2022 and 31 December 2021, there were no other third-party suppliers who had a balance accounting for 10% or more of the total balance of short-term trade accounts payable.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Conglom Inc.	11,477,000,000	12,006,895,400
Others	91,739,991,711	117,324,991,443
	<u>103,216,991,711</u>	<u>129,331,886,843</u>

As at 31 December 2022, there were no other third-party customers who had a balance accounting for 10% or more of the total balance of short-term advances from customers.

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivable from/payables to the State during the year were as follows:

	As at 1.1.2022 VND	Receivable during the year VND	Received during the year VND	Net-off during the year VND	As at 31.12.2022 VND
a) Receivables					
Value added tax ("VAT") input	1,147,247,382	149,342,313,818	-	(149,156,229,518)	1,333,331,682
Import tax to be reclaimed	106,662,679	1,824,024,227	(776,318,180)	-	1,154,368,726
Others	52,405,365	155,217,909	(140,814,255)	-	66,809,019
	<u>1,306,315,426</u>	<u>151,321,555,954</u>	<u>(917,132,435)</u>	<u>(149,156,229,518)</u>	<u>2,554,509,427</u>

	As at 1.1.2022 VND	Payable during the year VND	Paid during the year VND	Net-off during the year VND	As at 31.12.2022 VND
b) Payables					
VAT output	3,108,713,444	232,369,217,990	(80,244,510,186)	(149,156,229,518)	6,077,191,730
CIT	13,300,304,351	88,366,117,736	(31,362,305,904)	-	70,304,116,183
Personal income tax	1,899,694,440	19,740,678,441	(14,574,139,918)	-	7,066,232,963
Import tax	-	9,783,455,432	(9,783,455,432)	-	-
Others	-	504,963,133	(504,963,133)	-	-
	<u>18,308,712,235</u>	<u>350,764,432,732</u>	<u>(136,469,374,573)</u>	<u>(149,156,229,518)</u>	<u>83,447,540,876</u>

16 PAYABLES TO EMPLOYEES

Payables to employees represent the salary of December and the accrued 13th-month salary payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Bonus to employees	8,786,389,043	10,288,271,589
Based-investment-performance fees to VinaCapital	6,000,000,000	-
Advertising fee	-	340,536,028
Others	5,340,754,465	2,202,437,624
	<u>20,127,143,508</u>	<u>12,831,245,241</u>

18 OTHER SHORT-TERM PAYABLES

	2022 VND	2021 VND
Appropriation to the charity fund (Note 24)	2,130,000,000	-
Social insurance, health insurance, unemployment insurance and trade union	101,303,850	9,782,939,000
Others	776,439,392	466,489,696
	<u>3,007,743,242</u>	<u>10,249,428,696</u>

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19 SHORT-TERM BORROWINGS

	As at 1.1.2022 VND	Increase VND	Decrease VND	Foreign exchange revaluation VND	As at 31.12.2022 VND
Bank loans (*)	309,037,950,536	1,405,479,395,865	(1,193,125,308,177)	(1,244,385,499)	520,147,652,725

(*) Details of short-term bank loans as follows:

	Currency	As at 31.12.2022 VND	Original currency VND	As at 31.12.2022 VND	Term (months)	Expiry date	Interest (% per annum)	Collateral assets (Note 4(a), 10(b), 11(a), 11(b))
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	USD	29,022,643,770	1,221,635	1,221,635	6	23/1/2023 - 21/4/2023	2.2 - 3.6	Bank deposit contracts at VietinBank of VND122 billion, and VND40 billion; debt collection rights; land use rights and assets belonged to land plot No. 218 located in Binh Duong
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	VND	337,332,728,749	337,332,728,749	337,332,728,749	6	16/1/2023 - 26/6/2023	5 - 7	Debt collection rights; land use rights and assets belonged to land plot No. 441 located in Binh Duong; machineries and equipment.
	USD	73,259,075,186	3,083,657	3,083,657	2 - 3	3/1/2023 - 27/3/2023	3.6 - 5.2	
	VND	80,533,205,020	80,533,205,020	80,533,205,020	3	5/1/2023 - 6/2/2023	6.7 - 8.3	
		520,147,652,725		520,147,652,725				

20 BONUS AND WELFARE FUNDS

Movements of bonus and welfare fund during the year are as follows:

	2022 VND	2021 VND
Beginning of year	354,323,432	121,726,732
Increase (Note 24)	32,087,642,807	61,472,674,044
Decrease	(10,183,359,288)	(61,240,077,344)
End of year	<u>22,258,606,951</u>	<u>354,323,432</u>

21 PROVISION FOR LONG-TERM LIABILITIES

The balances represent provision for dismantling cost and provision for severance allowances which are determined based on the method disclosed in Note 2.15 and Note 2.16.

22 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxable unit. The details were as follows:

	2022 VND	2021 VND
Deferred tax assets are calculated base on:		
Provision for decline in value of inventories	3,655,693,731	4,188,839,816
Accrual expenses	2,636,123,948	-
Provision for dismantling cost	800,000,000	400,000,000
Provision of severance allowances	557,263,833	506,680,750
	<u>7,649,081,512</u>	<u>5,095,520,566</u>

The gross movement in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	2022 VND	2021 VND
Beginning of year	5,095,520,566	4,605,941,066
Separate income statement credit (Note 33)	2,553,560,946	489,579,500
End of year	<u>7,649,081,512</u>	<u>5,095,520,566</u>

22 DEFERRED INCOME TAX (continued)

Details of deferred tax assets

	2022 VND	2021 VND
Deductible temporary differences	7,649,081,512	5,095,520,566

The Company uses tax rate of 20% for determining deferred tax assets.

Deferred tax assets mainly arise from deductible temporary differences relating to accrued expenses, and provisions.

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

23 OWNERS' CAPITAL**(a) Number of ordinary shares**

	2022	2021
Number of shares registered	135,846,122	87,650,344
Number of shares issued	135,846,122	87,650,344
Number of shares repurchased	(9,600)	(9,600)
Number of existing shares in circulation	135,836,522	87,640,744

(b) Details of owners' shareholding

	31.12.2022		31.12.2021	
	Ordinary shares	%	Ordinary shares	%
NC Viet Nam Investment Ltd.	67,984,860	50.05	43,861,200	50.05
Sumitomo Forestry (Singapore) Ltd.	26,641,279	19.61	17,187,922	19.61
Whitlam Holding Pte. Ltd.	24,542,700	18.07	15,834,000	18.07
Others	16,667,683	12.27	10,757,622	12.27
	<u>135,836,522</u>	<u>100</u>	<u>87,640,744</u>	<u>100</u>

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23 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Number of shares	Ordinary shares VND	Treasury shares VND	Total VND
As at 1 January 2021	87,362,244	876,568,440,000	(20,046,000,000)	856,522,440,000
Repurchase of treasury shares	(6,500)	-	(65,000,000)	(65,000,000)
Cancel of treasury shares	-	(65,000,000)	65,000,000	-
Treasury shares sold	285,000	-	19,392,769,853	19,392,769,853
As at 31 December 2021	87,640,744	876,503,440,000	(653,230,147)	875,850,209,853
New shares issued (Note 24)	48,195,778	481,957,780,000	-	481,957,780,000
As at 31 December 2022	135,836,522	1,358,461,220,000	(653,230,147)	1,357,807,989,853

Par value per share: VND10,000.

The Company has no preference shares.

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Development and investment fund VND	Undistributed earnings VND	Total VND
As at 1 January 2021	876,568,440,000	1,408,471,865,056	(20,046,000,000)	36,590,318,871	704,357,516,505	3,005,942,140,432
Net profit for the year	-	-	-	-	458,616,379,319	458,616,379,319
Dividends paid in cash	-	-	-	-	(104,826,892,800)	(104,826,892,800)
Appropriation to the investment and development fund	-	-	-	21,883,604,426	(21,883,604,426)	-
Appropriation to the bonus and welfare fund	-	-	-	-	(36,472,674,044)	(36,472,674,044)
Appropriation to the Charity fund	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Transfer to bonus and welfare fund	-	-	(65,000,000)	(25,000,000,000)	(25,000,000,000)	(25,000,000,000)
Repurchase of treasury shares	(65,000,000)	-	(65,000,000)	-	-	(65,000,000)
Cancel of treasury shares	-	-	65,000,000	-	-	-
Treasury shares sold	-	10,832,823,647	19,392,769,853	-	-	30,225,593,500
Others	-	-	-	(12,076,464,358)	-	(12,076,464,358)
As at 31 December 2021	876,503,440,000	1,419,304,688,703	(653,230,147)	21,397,458,939	994,790,724,554	3,311,343,082,049
Capital increased during the year (i)	43,754,300,000	(6,100,000)	-	-	-	43,748,200,000
Net profit for the year	-	-	-	-	590,921,588,966	590,921,588,966
Dividends paid in shares ((ii) and Note 25)	438,203,480,000	-	-	-	(438,203,480,000)	-
Dividends paid in cash ((i), (iii), (iv) and Note 25)	-	-	-	-	(464,913,590,200)	(464,913,590,200)
Appropriation to the bonus and welfare fund ((v) and Note 20)	-	-	-	-	(10,690,183,868)	(10,690,183,868)
Transfer to bonus and welfare fund ((v) and Note 20)	-	-	-	(21,397,458,939)	-	(21,397,458,939)
Appropriation to the charity fund ((v) and Note 18)	-	-	-	-	(5,000,000,000)	(5,000,000,000)
As at 31 December 2022	1,358,461,220,000	1,419,298,588,703	(653,230,147)	-	666,905,059,452	3,444,011,638,008

24 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) Pursuant to the Resolution No. 02-2022/NQ-GAC dated 18 February 2022, the Board of Directors approved the advance of the 1st dividend payment of 2021 by cash for existing shareholders at the rate of 5% at par value of each share, equivalents to VND43,820,372,000. At the same time, the Board of Directors also approved offering shares to existing shareholders at the ratio of 100:5, equivalent to 5%. Total issued shares are 4,375,430 ones, which is equivalent to VND43,754,300,000.
- (ii) Pursuant to the Resolution No. 06-2022/NQ-GAC dated 1 April 2022 and Decision No.30/2022/QĐ-GAC dated 20 April 2022, the Board of Directors approved the issuance of new shares to pay dividend for existing shareholders at the ratio of 2:1. Accordingly, the Company issued 43,820,348 shares, which is equivalent to VND438,203,480,000.
- (iii) Pursuant to the Resolution of the Annual General Meeting of Shareholders No. 09/2022/NQ-GAC dated 6 June 2022 and Resolution of the Board of Directors No.10/2022/NQ-GAC dated 6 June 2022, the Board of Directors approved the 2nd dividend payment of 2021 by cash at the rate of 20% at par value of each share, which is equivalent to VND271,673,044,000.
- (iv) Pursuant to the Resolution No. 15-2022/NQ-GAC dated 3 October 2022, the Board of Directors approved advance of the 1st dividend payment of 2022 by cash for existing shareholders at the rate of 11% at par value of each shares, which is equivalent to VND149,420,174,200.
- (v) Pursuant to the Resolution of the Annual General Meeting of Shareholders No. 09-2022/NQ-GAC dated 6 June 2022, the General Meeting of Shareholders approved the appropriation of charity fund amounting to VND5,000,000,000, the appropriation of bonus and welfare fund at the rate of 5% on profit after tax in the audited consolidated financial statements of the Group as at 31 December 2021 after deducting profit after tax in the six-month period consolidated interim financial statements as at 30 June 2021, equivalents to VND10,690,183,868; and transfer the entire remaining balance of the Company's Investment and Development Fund to the Bonus and Welfare Fund, equivalents to VND21,397,458,939.

25 DIVIDENDS

	2022	2021
	VND	VND
Beginning of year	-	-
Increase (Note 24)	903,117,070,200	104,826,892,800
Dividend paid in cash	(464,650,732,500)	(104,826,892,800)
Dividend paid in ordinary shares (Note 24, 35, 36)	(438,203,480,000)	-
End of year	<u>262,857,700</u>	<u>-</u>

26 OFF BALANCE SHEET ITEMS**(a) Foreign currencies**

As at 31 December 2022, included in cash were balances held in foreign currencies of US\$415,893 and EUR14,945 (as at 31 December 2021: US\$39,772 and EUR9,069).

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating assets leases are presented in Note 37.

27 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Revenue		
Revenue from sales of merchandise and finished goods	2,886,592,718,976	1,985,805,280,718
Revenue from rendering of services	67,716,216,722	59,191,539,604
	<u>2,954,308,935,698</u>	<u>2,044,996,820,322</u>
Sales deductions		
Sales returns	(5,341,007,253)	(2,412,869,465)
Trade discounts	(4,148,554,769)	(3,179,887,723)
Sales allowances	(8,735,560)	(103,140,000)
	<u>(9,498,297,582)</u>	<u>(5,695,897,188)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandise and finished goods	2,877,094,421,394	1,980,109,383,530
Net revenue from rendering of services	67,716,216,722	59,191,539,604
	<u>2,944,810,638,116</u>	<u>2,039,300,923,134</u>

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of goods and merchandises sold	2,177,318,903,189	1,554,022,394,214
Cost of services rendered	43,866,437,428	39,223,268,576
(Reversal of provision)/provision for decline in value of inventories (Note 9)	(2,665,730,426)	4,594,026,380
Provision for dismantling cost	2,000,000,000	2,000,000,000
	<u>2,220,519,610,191</u>	<u>1,599,839,689,170</u>

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29 FINANCIAL INCOME

	2022 VND	2021 VND
Profit distributed (Note 36)	286,000,000,000	267,174,056,264
Interest income from bank deposits	60,750,615,607	67,077,606,057
Interest income from deposits (Note 7(b))	37,056,867,941	31,733,706,294
Interest income from trusted-investment	21,099,747,945	19,227,747,944
Realised foreign exchange gains	13,357,375,631	9,027,930,711
Dividend income	8,940,000,000	-
Interest income from lending	2,065,890,411	-
Net gain from foreign currency translation at year-end	1,983,839,896	-
	<u>431,254,337,431</u>	<u>394,241,047,270</u>

30 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expenses from borrowings	18,725,124,935	12,719,611,187
Realised foreign exchange losses	12,093,212,047	1,481,253,393
Based-investment-performance fees to VinaCapital	6,000,000,000	-
Net loss from foreign currency translation at year-end	-	51,768,350
	<u>36,818,336,982</u>	<u>14,252,632,930</u>

31 SELLING EXPENSES

	2022 VND	2021 VND
Staff costs	133,136,440,312	94,828,797,051
Marketing and advertising	63,699,983,310	41,062,900,880
Transportation	50,640,198,016	34,763,843,242
Rental	23,710,788,338	19,169,243,143
Repair and maintenances	16,154,822,105	19,196,095,297
Depreciation and amortisation	8,929,921,442	9,641,739,399
Tools and supplies	5,693,629,656	7,502,768,820
Others	49,064,680,410	25,678,258,974
	<u>351,030,463,589</u>	<u>251,843,646,806</u>

32 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	49,753,035,817	30,309,296,965
Provision for doubtful debts	7,694,753,982	7,674,400,753
Depreciation and amortisation	2,196,059,082	2,331,297,694
Professional fees	2,056,966,644	1,693,388,008
Tools and supplies	1,211,749,381	1,127,547,763
Others	30,882,348,356	13,709,945,988
	<u>93,794,913,262</u>	<u>56,845,877,171</u>

33 CORPORATE INCOME TAX (“CIT”)

The CIT tax on the Company’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2022 VND	2021 VND
Net accounting profit before tax	676,734,145,756	514,018,429,860
Tax calculated at a rate of 20%	135,346,829,151	102,803,685,972
Effect of:		
Expenses not deductible for tax purposes	9,453,727,639	6,033,175,822
Incomes not subject to tax (**)	(58,988,000,000)	(53,434,811,253)
CIT charge (*)	<u>85,812,556,790</u>	<u>55,402,050,541</u>
Charged/(credited) to separate income statement:		
CIT – current	88,366,117,736	55,891,630,041
CIT – deferred (Note 22)	(2,553,560,946)	(489,579,500)
	<u>85,812,556,790</u>	<u>55,402,050,541</u>

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

(**) Incomes not subject to tax during the year were related to profit distributed from subsidiaries and dividend income from investment in other entity.

34 COST OF OPERATION BY FACTOR

Costs of operation by factor represents all costs incurred during the year from the Company's operating activities, excluding cost of merchandises for trading activities. The details are as follows:

	2022	2021
	VND	VND
Raw materials	1,639,431,488,120	1,164,479,256,717
Staff costs	419,615,447,241	333,234,253,953
Outside services	153,835,982,231	100,610,117,890
Transportation	52,175,070,887	35,226,023,149
Tools and supplies	50,777,322,634	47,942,086,165
Depreciation and amortisation	48,585,352,965	52,320,596,142
Others	127,501,610,773	87,170,303,342
	<u>2,491,922,274,851</u>	<u>1,820,982,637,358</u>

35 NON CASH TRANSACTIONS AFFECTING THE SEPERATE CASH FLOW STATEMENT

	<u>Year ended 31 December</u>	
	2022	2021
	VND	VND
Issuance of shares to pay dividends to existing shareholders (Note 24, 25, 36)	438,203,480,000	-
Conversion from borrowings into investment in an associate	267,000,000,000	-
Reclassification of trusted-investment from short-term investments held-to-maturity to other short-term receivables	156,017,700,000	-
Interest income from deposits not yet collected (Note 7(b))	68,790,574,235	31,733,706,294
Interest income from trusted-investment not yet collected (Note 7(a))	<u>18,720,311,067</u>	<u>5,319,221,533</u>

36 RELATED PARTY DISCLOSURES

As at 31 December 2022 and the year then ended, the Company had balances and/or transactions with the related parties:

Related parties	Relationship
Malloca Vietnam Company Limited	Subsidiary
An Cuong Wood-Working Manufacturing Company Limited	Subsidiary
AConcept Vietnam Company Limited	Indirect subsidiary
Thang Loi Homes Joint Stock Company	Associate
NC Vietnam Investment Company Limited	Controlling shareholder
Whitlam Holding Pte. Ltd	Major shareholder
Sumitomo Forestry (Singapore) Ltd.	Major shareholder
Trung Hieu Plywood Company Limited	Controlled by Chairman's family member
Thao Nghia Thanh One-member Company Limited	Controlled by Head of Board of Supervision's family member
Sumitomo Forestry Vietnam Company Limited	Controlled by a member of Board of Directors
Mr. Le Duc Nghia	Chairman

(a) Related party transactions

The primary transactions with related parties incurred during the year are:

	2022 VND	2021 VND
i) Sales of goods and rendering of services		
An Cuong Wood-Working Manufacturing Company Limited	202,227,079,206	122,844,771,581
Trung Hieu Plywood Company Limited	56,212,222,130	40,996,038,723
Malloca Vietnam Company Limited	34,238,320,853	31,773,687,025
AConcept Vietnam Company Limited	9,120,818,834	31,640,501,569
	<u>301,798,441,023</u>	<u>227,254,998,898</u>
ii) Purchases of goods and services		
An Cuong Wood-Working Manufacturing Company Limited	417,636,948,166	150,247,263,863
Malloca Vietnam Company Limited	19,986,299,000	7,153,476,000
Thao Nghia Thanh One-member Limited	10,917,927,163	4,608,119,000
Sumitomo Forestry (Singapore) Ltd.	7,432,065,037	-
AConcept Vietnam Company Limited	1,400,745,291	535,649,965
Sumitomo Forestry Vietnam Company Limited	1,698,717,435	-
	<u>459,072,702,092</u>	<u>162,544,508,828</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

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36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
iii) Purchases of fixed assets		
AConcept Vietnam Company Limited	131,734,849	-
iv) Borrowings drawdown		
Mr. Le Duc Nghia	-	102,000,000,000
v) Repayment of borrowings		
Mr. Le Duc Nghia	-	102,000,000,000
vi) Interest expense of borrowings		
Mr. Le Duc Nghia	-	425,654,794
vii) Dividend paid during the year in cash (Note 24)		
NC Vietnam Investment Ltd.	232,683,666,000	52,633,440,000
Sumitomo Forestry (Singapore) Ltd	91,181,925,900	20,625,506,400
Whitlam Holding Pte. Ltd.	83,999,370,000	19,000,800,000
Other shareholders	57,048,628,300	12,567,146,400
	<u>464,913,590,200</u>	<u>104,826,892,800</u>
viii) Dividend paid during the year in ordinary shares (Note 24, 25, 35)		
NC Vietnam Investment Ltd.	219,306,000,000	-
Sumitomo Forestry (Singapore) Ltd	85,939,610,000	-
Whitlam Holding Pte. Ltd.	79,170,000,000	-
Other shareholders	53,787,870,000	-
	<u>438,203,480,000</u>	<u>-</u>
ix) Profit distributed from (Note 29)		
An Cuong Wood-Working Manufacturing Company Limited	251,000,000,000	242,174,056,264
Malloca Vietnam Company Limited	35,000,000,000	25,000,000,000
	<u>286,000,000,000</u>	<u>267,174,056,264</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

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36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		2022 VND	2021 VND
<i>x)</i>	<i>Investment in associate (Note 4(b))</i>		
	Thang Loi Homes Joint Stock Company	393,631,200,000	-
<i>xi)</i>	<i>Compensation of key management</i>		
	Gross salaries and other benefits	24,192,394,931	18,022,875,386

**In which:
Remuneration of Board of Directors**

No.	Full name	Title	2022 VND	2021 VND
1.	Mr. Le Duc Nghia	Chairman	-	-
2.	Mr. Masao Kamibayashiama	Vice Chairman	-	-
3.	Mr. Tran Luong Thanh Tung	Member	-	-
4.	Mr. Jess Rueloekke	Member (until 22 December 2022)	-	-
5.	Mr. Nguyen Thanh Quyen	Independent member (from 23 December 2022)	-	-
6.	Mr. Phan Quoc Cong	Independent member (from 23 December 2022)	-	-
7.	Mr. Nguyen Minh Tuan	Member	-	-
8.	Mr. Le Thanh Phong	Member	-	-
9.	Ms. Nguyen Thi Dieu Phuong	Member	-	-

Remuneration of Board of Supervision

No.	Full name	Title		
1.	Ms. Tran Thi Ngoc Tue	Head of Board of Supervision	-	-
2.	Ms. Tran Thi Kim Anh	Member	-	-
3.	Ms. Mai Thi Phuong Thao	Member	-	-

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

xi) Compensation of key management (continued)

Gross salaries and other benefits of Board of Management and other directors

No.	Full name	Title	2022	2021
1.	Mr. Le Duc Nghia	General Director	-	500,000,000
2.	Ms. Vo Thi Ngoc Anh	General Director	2,336,500,000	1,493,226,154
3.	Mr. Le Thanh Phong	Deputy General Director	2,698,034,999	1,747,980,000
4.	Ms. Nguyen Thi Hao	Deputy General Director	2,571,399,999	1,759,060,000
5.	Ms. Nguyen Thi Kim Thoa	Deputy General Director	2,711,399,999	1,696,680,000
6.	Ms. Nguyen Thi Duyen	Deputy General Director	3,070,175,000	1,875,200,000
7.	Mr. Ngo Tan Tri	Deputy General Director	2,602,797,500	1,812,640,001
8.	Ms. Thieu Thi Ngoc Diem	Chief Accountant	2,418,441,666	1,545,880,000
9.	Ms. Tran Thi Ngoc Tue	Head of Internal control	1,599,240,768	862,849,231
10.	Mr. Masao Kamibayashiana	Market Development Director	2,409,555,000	3,308,080,000
11.	Mr. Tran Luong Thanh Tung	In charge of information disclosure (until 22 December 2022)	1,774,850,000	1,421,280,000
			<u>24,192,394,931</u>	<u>18,022,875,386</u>

(b) Year end balances with related parties

	2022 VND	2021 VND
Short-term trade accounts receivable (Note 5)		
An Cuong Wood-Working Manufacturing Company Limited	22,061,724,847	45,556,855,955
Trung Hieu Plywood Company Limited	8,826,856,174	7,069,840,460
Malloca Vietnam Company Limited	7,543,309,030	13,742,624,691
AConcept Vietnam Company Limited	624,679,512	8,928,343,457
	<u>39,056,569,563</u>	<u>75,297,664,563</u>
Short-term prepayments to suppliers (Note 6)		
Malloca Vietnam Company Limited	-	13,979,302,000
Thao Nghia Thanh One-member Limited	3,802,046,000	190,640,000
	<u>3,802,046,000</u>	<u>14,169,942,000</u>

36 RELATED PARTY DISCLOSURES (continued)

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

	2022 VND	2021 VND
Investments in subsidiaries (Note 4(b))		
An Cuong Wood - Working Manufacturing Company Limited	796,600,000,000	796,600,000,000
Malloca Vietnam Company Limited	120,000,000,000	120,000,000,000
	<u>916,600,000,000</u>	<u>916,600,000,000</u>
Short-term trade accounts payable (Note 13)		
An Cuong Wood-Working Manufacturing Company Limited	126,479,738,673	54,707,501,041
Malloca Vietnam Company Limited	2,653,424,000	979,513,700
AConcept Vietnam Company Limited	2,726,335,424	1,330,507,051
Sumitomo Vietnam Company Limited	516,978,154	-
Thao Nghia Thanh One-member Company Limited	302,933,260	-
	<u>132,679,409,511</u>	<u>57,017,521,792</u>
Investment in associate (Note 4(b))		
Thang Loi Homes Joint Stock Company	<u>393,631,200,000</u>	<u>-</u>

37 COMMITMENTS

(a) Operating commitments

The future minimum real estate lease payments under non-cancellable real estate operating leases were as follows:

	2022 VND	2021 VND
Within one year	34,311,696,811	21,791,932,695
Between one and five years	99,588,016,320	41,691,411,273
Over five years	4,126,906,065	15,124,795,779
Total minimum payments	<u>138,026,619,196</u>	<u>78,608,139,747</u>

37 COMMITMENTS (Continued)

(b) Capital commitments

Capital expenditure contracted for at the separate balance sheet date but not recognised in the separate financial statements was as follows:

	2022 VND	2021 VND
Capital contribution to subsidiary	<u>10,200,000,000</u>	<u>-</u>

38 SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

As presented in Note 1, on 16 January 2023, the Company has fully contributed the capital commitment which is VND10,200,000,000 (equivalent to 51% of charter capital) to An Khang MDF Company Limited.

The separate financial statements were approved by the Board of Management on 28 March 2023.



Nguyen Thi Hong Lan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Vo Thi Ngoc Anh
General Director



