

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**



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TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Board of Management	2
Report on review of consolidated interim financial information	3
Consolidated interim balance sheet (Form B 01a – DN/HN)	5
Consolidated interim income statement (Form B 02a – DN/HN)	8
Consolidated interim cash flow statement (Form B 03a – DN/HN)	9
Notes to the consolidated interim financial statements (Form B 09a – DN/HN)	10

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. Nguyen Minh Tuan	Member
Mr. Masao Kamibayashiyama	Member
Mr. Jess Rueloekke	Independent member
Mr. Tran Luong Thanh Tung	Member
Mr. Le Thanh Phong	Member
Ms. Nguyen Thi Dieu Phuong	Independent member

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 plot 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 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Board of Management of An Cuong Wood-Working Joint Stock Company (“the Company”) is responsible for preparing the consolidated interim financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2022, and the results of its consolidated interim operations and consolidated interim cash flows for the six-month period then ended. In preparing these consolidated interim 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 consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 consolidated interim financial position of the Group and which enable the consolidated interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated interim financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We hereby, approve the accompanying consolidated interim financial statements as set out on pages 5 to 50 which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2022 and of the results of its consolidated interim operations and consolidated interim cash flows for the six-month then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.

On behalf of the Board of Management,





Vo Thi Ngoc Anh
General Director

Binh Duong, SR Vietnam
12 August 2022



REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF AN CUONG WOOD-WORKING JOINT STOCK COMPANY

We have reviewed the accompanying consolidated interim financial statements of An Cuong Wood-Working Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2022 and approved by the Board of Management on 12 August 2022. The consolidated interim financial statements comprise the consolidated interim balance sheet as at 30 June 2022, the consolidated interim income statement, the consolidated interim cash flow statement for the six-month period then ended, and explanatory notes to the consolidated interim 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 consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated interim financial statements and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of consolidated interim financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on this consolidated interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, *"Review of interim financial information performed by the independent auditor of the entity"*.

A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not presented fairly, in all material respects, the consolidated interim financial position of the Group as at 30 June 2022, its consolidated interim financial performance and consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.

Other Matters

The report on review of consolidated interim financial information 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:
0875-2018-006-1
Authorised signatory

Report reference number: HCM12641
Ho Chi Minh City, 12 August 2022

CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2022 VND	31.12.2021 VND
100	CURRENT ASSETS		3,610,605,802,672	3,650,800,848,248
110	Cash and cash equivalents	3	72,901,727,741	99,169,609,256
111	Cash		40,765,659,431	99,169,609,256
112	Cash equivalents		32,136,068,310	-
120	Short-term investments		1,333,262,744,955	1,527,845,044,955
123	Investments held to maturity	4(b)	1,333,262,744,955	1,527,845,044,955
130	Short-term receivables		645,380,813,966	618,583,366,551
131	Short-term trade accounts receivable	5	529,538,216,388	549,583,344,234
132	Short-term prepayments to suppliers	6	47,153,265,470	47,549,408,310
135	Short-term lending		10,600,000,000	-
136	Other short-term receivables	7(a)	75,402,471,687	40,012,513,678
137	Provision for doubtful debts – short term	8	(17,969,042,949)	(18,765,339,662)
139	Shortage of assets awaiting resolution		655,903,370	203,439,991
140	Inventories	9	1,527,920,619,522	1,380,301,310,465
141	Inventories		1,560,092,088,924	1,409,876,670,599
149	Provision for decline in value of inventories		(32,171,469,402)	(29,575,360,134)
150	Other current assets		31,139,896,488	24,901,517,021
151	Short-term prepaid expenses	10(a)	26,838,802,488	22,007,833,088
152	Value added tax ("VAT") to be reclaimed		2,334,496,154	2,322,179,488
153	Tax and other receivables from the State	15(a)	1,966,597,846	571,504,445

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

CONSOLIDATED INTERIM BALANCE SHEET
 (continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2022 VND	31.12.2021 VND
200	NON-CURRENT ASSETS		1,536,031,683,435	1,332,118,177,476
210	Long-term receivables		347,489,176,677	322,336,513,405
216	Other long-term receivables	7(b)	347,489,176,677	322,336,513,405
220	Fixed assets		479,625,196,451	534,761,034,183
221	Tangible fixed assets	11(a)	464,970,215,671	518,159,318,784
222	Historical cost		1,018,637,892,137	1,020,819,135,402
223	Accumulated depreciation		(553,667,676,466)	(502,659,816,618)
227	Intangible fixed assets	11(b)	14,654,980,780	16,601,715,399
228	Historical cost		32,148,567,346	32,148,567,346
229	Accumulated amortisation		(17,493,586,566)	(15,546,851,947)
240	Long-term asset in progress		1,612,699,384	1,425,546,949
242	Construction in progress	12	1,612,699,384	1,425,546,949
250	Long-term investments		512,831,200,000	275,217,700,000
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)	-	156,017,700,000
260	Other long-term assets		194,473,410,923	198,377,382,939
261	Long-term prepaid expenses	10(b)	186,781,405,730	190,080,570,500
262	Deferred income tax assets	22	7,692,005,193	8,296,812,439
270	TOTAL ASSETS		5,146,637,486,107	4,982,919,025,724

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

CONSOLIDATED INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2022 VND	31.12.2021 VND
300	LIABILITIES		1,421,885,160,219	1,206,120,120,534
310	Current liabilities		1,412,842,762,271	1,196,572,464,437
311	Short-term trade accounts payable	13	301,255,472,920	289,187,086,507
312	Short-term advances from customers	14	202,864,114,616	206,024,768,522
313	Tax and other payables to the State	15(b)	45,015,995,263	36,046,362,980
314	Payable to employees	16	16,435,133,422	58,355,659,772
315	Short-term accrued expenses	17	47,432,914,262	24,826,970,905
318	Short-term unearned revenue		1,380,344,630	1,130,344,632
319	Other short-term payables	18	11,873,355,255	11,359,884,360
320	Short-term borrowings	19	737,530,073,937	566,975,088,269
322	Bonus and welfare funds	20	49,055,357,966	2,666,298,490
330	Non-current liabilities		9,042,397,948	9,547,656,097
336	Long-term unearned revenue		2,449,080,031	3,014,252,347
342	Provision for long-term liabilities	21	6,593,317,917	6,533,403,750
400	OWNERS' EQUITY		3,724,752,325,888	3,776,798,905,190
410	Capital and reserves		3,724,752,325,888	3,776,798,905,190
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	5,387,266	25,138,524,261
421	Undistributed earnings	24	947,640,360,066	1,456,505,482,373
421a	- Undistributed post-tax profits of previous years		668,944,288,934	1,034,544,110,211
421b	- Post-tax profits of current period/year		278,696,071,132	421,961,372,162
440	TOTAL RESOURCES		5,146,637,486,107	4,982,919,025,724


Tran Anh Tuan
Preparer


Thieu Thi Ngoc Diem
Chief Accountant


Vo Thi Ngoc Anh
General Director
12 August 2022



CONSOLIDATED INTERIM INCOME STATEMENT

Code		Note	For the six-month period ended	
			30.6.2022 VND	30.6.2021 VND
01	Revenue from sales of goods and rendering of services		1,925,868,062,575	1,719,594,157,942
02	Less deductions		(11,033,919,861)	(10,587,968,704)
10	Net revenue from sales of goods and rendering of services	28	1,914,834,142,714	1,709,006,189,238
11	Cost of goods sold and services rendered	29	(1,355,571,889,037)	(1,222,888,240,252)
20	Gross profit from sales of goods and rendering of services		559,262,253,677	486,117,948,986
21	Financial income	30	86,634,988,977	75,790,280,999
22	Financial expenses		(16,385,302,291)	(11,238,206,461)
23	- Including: Interest expense		(15,053,386,426)	(9,981,393,213)
25	Selling expenses	31	(226,179,214,394)	(209,862,207,675)
26	General and administration expenses	32	(64,549,659,192)	(57,372,127,299)
30	Net operating profit		338,783,066,777	283,435,688,550
31	Other income		2,378,904,107	4,322,917,285
32	Other expenses		(368,442,024)	(263,914,831)
40	Net other income		2,010,462,083	4,059,002,454
50	Net accounting profit before tax		340,793,528,860	287,494,691,004
51	Corporate income tax ("CIT") - current	33	(61,492,650,481)	(48,176,535,560)
52	Corporate income tax - deferred	33	(604,807,247)	(1,842,609,964)
60	Net profit after tax		278,696,071,132	237,475,545,480
	Attributable to:			
61	Profit after tax of the parent company		278,696,071,132	237,475,545,480
62	Non-controlling interests		-	-
70	Basic earnings per share	26(a)	2,610	2,315
71	Diluted earnings per share	26(b)	2,610	2,315

Tran Anh Tuan
Preparer

Thieu Thi Ngoc Diem
Chief Accountant

Võ Thị Ngọc Anh
General Director
12 August 2022



CONSOLIDATED INTERIM CASH FLOW STATEMENT
 (Indirect method)

Code	Note	For the six-month period ended	
		30.6.2022 VND	30.6.2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		340,793,528,860	287,494,691,004
	Net accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	56,255,230,018	57,527,424,519
03	Provisions	1,859,726,722	4,503,457,605
04	Unrealised foreign exchange gains	(286,947,881)	(1,197,355,164)
05	Profits from investing activities	(80,595,591,538)	(69,090,191,873)
06	Interest expense	15,053,386,426	9,981,393,213
08	Operating profit before changes in working capital	333,079,332,607	289,219,419,304
09	Decrease/(increase) in receivables	3,159,585,955	(20,607,083,888)
10	Increase in inventories	(150,215,418,325)	(185,041,697,044)
11	Decrease in payables	(17,208,806,672)	(16,868,671,259)
12	(Increase)/decrease in prepaid expenses	(1,531,804,630)	7,270,648,483
14	Interest paid	(15,053,386,426)	(9,981,393,213)
15	CIT paid	(49,649,203,018)	(29,586,908,673)
17	Other payments on operating activities	(7,608,374,959)	(25,055,200)
20	Net cash inflows from operating activities	94,971,924,532	34,379,258,510
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(1,652,766,284)	(5,792,381,525)
23	Lending and investments held to maturity	(605,600,000,000)	(692,225,530,311)
24	Collection of lending and investments held to maturity	678,600,000,000	535,000,000,000
25	Investments in other entities	(126,631,200,000)	(119,200,000,000)
27	Interest received from bank deposits, lendings and profit distributed	35,980,041,413	45,866,013,953
30	Net cash outflows from investing activities	(19,303,924,871)	(236,351,897,883)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	43,748,200,000	-
32	Payments for share returns and repurchases	-	(65,000,000)
33	Proceeds from borrowings	1,305,449,222,376	1,307,801,459,732
34	Repayments of borrowings	(1,135,761,029,780)	(1,014,195,787,606)
36	Dividends paid	(315,314,058,500)	(104,826,892,800)
40	Net cash (outflows)/inflows from financing activities	(101,877,665,904)	188,713,779,326
50	Net decrease in cash and cash equivalents in period	(26,209,666,243)	(13,258,860,047)
60	Cash and cash equivalents at beginning of period	99,169,609,256	53,239,217,833
61	Effect of foreign exchange differences	(58,215,272)	(71,270,379)
70	Cash and cash equivalents at end of period	72,901,727,741	39,909,087,407

Additional information relating to the consolidated cash flow statement is presented in Note 36.

Tran Anh Tuan
Preparer

Thieu Thi Ngoc Diem
Chief Accountant

Vo Thi Ngoc Anh
General Director
12 August 2022

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

1 GENERAL INFORMATION OF THE GROUP

An Cuong Wood-Working Joint Stock Company (“the Company”) was established in SR Vietnam pursuant to 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 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 and its subsidiaries (together “the Group”) is within 12 months.

As at 30 June 2022 and 31 December 2021, the Group had two direct subsidiaries, 1 associate and one indirect subsidiary as follows:

Name	Location	Principal activity	30.6.2022		31.12.2021	
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
An Cuong Wood - Working Company Limited	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
AConcept Vietnam Company Limited (*)	Ho Chi Minh City	Wholesale and retail of interior and interior decoration	100	100	100	100
Central Hill Real Estate Joint Stock Company	Ho Chi Minh City	Trade real estate	30	30	-	-

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

As at 30 June 2022, the Group had 2,962 employees (as at 31 December 2021: 2,835 employees).

As at 31 May 2022, the Company has submitted to list 135.8 million ACG shares with the charter capital of VND1,358.46 billion on HoSE stock exchange. As at the issuance date of this report, the Company’s shares have not yet been listed on HoSE stock exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated interim financial statements**

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements in Vietnam. The consolidated interim financial statements have been prepared under the historical cost convention except for investments in associates and joint ventures, and business combination as presented in Note 2.5.

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

The consolidated interim financial statements in the Vietnamese language are the official statutory consolidated interim financial statements of the Group. The consolidated interim financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December. The consolidated interim financial statements are prepared for the period from 1 January to 30 June.

2.3 Currency

The consolidated interim financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

In addition, the Group also uses this currency to raise financial resources (such as via issuance of shares or bonds) and/or regularly collect this currency from business operation and savings.

2.4 Exchange rates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation*****Subsidiaries***

Subsidiaries are all entities over which the Group 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 Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated interim income statement.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The separate financial statements of the Group's subsidiaries are prepared for the same accounting period. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.

Associate

Associate is entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associate includes goodwill identified on acquisition, net of any accumulated impairment loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)*****Associate (continued)***

The Group's share of the post-acquisition profits or losses of its associate is recognised in the consolidated interim income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a associate equals or exceeds its interest in associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of associate.

Accounting policies of associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in associate.

2.6 Cash and cash equivalents

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

2.7 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 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 consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

2.8 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 Group applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments****(a) Investments held to maturity**

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

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

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting fiscal period 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 consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet to the maturity date.

(b) Investments in associates

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements.

(c) Investments in other entities

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 amount of provision to recognise at the period end.

Provision for investments associate and investments in other entities is made when there is a diminution in value of the investments at the period end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

Changes in the provision balance during the accounting period 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.

2.10 Lendings

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Lendings (continued)**

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Changes in the provision balance during the accounting period 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.

Lending is classified into short-term and long-term lendings on the consolidated interim balance sheet based on the remaining term of the lending as at the consolidated interim balance sheet date.

2.11 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 consolidated interim income statement when incurred in the period.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. 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% - 33%
Others	6% - 50%
Land use rights	3%
Software	13% - 50%

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

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

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 consolidated interim income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Fixed assets (continued)***Construction in progress*

Construction in progress represents the cost of asset 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 including construction costs; costs of tools and equipments; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.12 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 consolidated interim income statement on a straight-line basis over the term of the lease.

2.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated interim balance sheet, which mainly include long-term land rentals, office rentals, tools and equipment in use. Prepaid expenses are recorded at historical cost and allocated using the straight-line basis over estimated useful lives.

Prepayments for land rental contracts which are not recorded as intangible assets as described in 2.11 are recorded as prepaid expenses, and allocated using the straight-line basis over the prepaid lease term.

2.14 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 purchase of goods and services.

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

2.15 Borrowings

Short-term borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term borrowings on the consolidated interim balance sheet based on remaining period from the consolidated interim balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Borrowings (continued)**

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Group 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 Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated interim income statement when incurred.

2.16 Accrued expenses

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

2.17 Provisions

Provisions are recognised when the Group 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 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 period are recorded as an increase or decrease in operating expenses.

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group 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 year during which the employee actually works for the Group less the year during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Unearned revenue**

Unearned revenue includes short-term and long-term unearned revenues on the consolidated interim balance sheet. These unearned revenues recognised the amounts paid in advance for renting the factory roof of a subsidiary to install and operate the solar panels, the support system and the solar rooftop projects with 20 years starting from September 2020. The Group records unearned revenue for the future obligations that the Group has to fulfil during the first five years of the rental contracts. Unearned revenue recognised as revenue in the consolidated interim income statement to the extent that recognition criteria have been met.

2.20 Owners' capital

Owners' capital of the Shareholders is recorded according to the actual amount contributed and is recorded according to 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

Treasury shares bought before the effective date of the Securities Law (ie. 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 bought after 1 January 2022 will be cancelled and adjusted to reduce equity.

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

2.21 Appropriation of profit

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

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.

The Group's funds are as below:

(a) Bonus and welfare fund

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Appropriation of profit (continued)****(b) Investment and development fund**

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

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

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group 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 Group; 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 Group gives promotional goods to customers associated with the purchase, the Group allocates the total consideration received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the consolidated interim income statement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated interim 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 rendering of services is only recognised when all four (4) 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 Group;
- The percentage of completion of the transaction at the consolidated interim 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 Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Sales deductions**

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

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

2.24 Cost of goods sold and services rendered

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

2.25 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses of lending and borrowing; losses incurred when selling foreign currencies; losses from foreign exchange differences and payment discounts.

2.26 Selling expenses

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

2.27 General and administration expenses

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

2.28 Current and deferred income tax

Income tax include all income tax which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred 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 period tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Current and deferred income tax (continued)**

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 consolidated interim 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 period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated interim 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.

2.29 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 Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors and 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 Group considers the substance of the relationships not merely the legal form.

2.30 Segment reporting

A segment is a component which can be separated by the Group 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 Group’s business segment or the Group’s geographical segment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.31 Critical accounting estimates**

The preparation of the consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Coporate Accoungitng system and applicable regulations on preparation and presentation of consolidated interim financial statements requires the Broad of Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated interim financial statements and the reported amounts of revenues and expenses during the accounting period.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.11 and 11);
- Estimation of provision for doubtful debts (Note 9) and provision of decline in value of inventories (Note 10);
- 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 experiences and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	30.6.2022 VND	31.12.2021 VND
Cash on hand	612,368,876	599,832,678
Cash at bank	40,153,290,555	98,569,776,578
Cash equivalents	32,136,068,310	-
	<u>72,901,727,741</u>	<u>99,169,609,256</u>

Cash and cash equivalents as at 30 June 2022 comprise of term deposits with an original maturity less than 1 month and earn at the rate of 3% - 3,75% at financial institutions and commercial bank.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

4 INVESTMENTS

(a) Investments held to maturity

	As at 30.6.2022		As at 31.12.2021	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits	1,177,245,044,955	1,177,245,044,955	1,527,845,044,955	1,527,845,055,955
Bonds	156,017,700,000	156,017,700,000	-	-
	<u>1,333,262,744,955</u>	<u>1,333,262,744,955</u>	<u>1,527,845,044,955</u>	<u>1,527,845,055,955</u>
ii. Long-term				
Bonds	-	-	156,017,700,000	156,017,700,000
	<u>-</u>	<u>-</u>	<u>156,017,700,000</u>	<u>156,017,700,000</u>

Short-term investments held-to-maturity represent term deposits at commercial banks with remaining maturities of more than 3 months but less than 1 year and earn interest at the rate of approximately 5.1% - 7.2% per annum (as at 31 December 2021: 5% - 7.6% per annum); and trusted-investments in corporate bonds with the remaining maturity of less than 12 months from the reporting date and earned an interest at the rate of 13.8% per annum according to the investment trust contract No. GB2021001 dated 5 February 2021 signed between the Group and VinaCapital Fund Management Joint Stock Company. In addition, the Group has pledged VND225 billion of these investments with banks as collateral assets for the Company's borrowings (Note 19).

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

4 INVESTMENTS (continued)

(b) Investments in associate and other entity

	As at 30.6.2022			As at 31.12.2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
i. Investment in associate						
Central Hill Real Estate Joint Stock Company (*), (**)	393,631,200,000	-	-	-	-	-
ii. Investments in other entity						
Thang Loi Group Real Estate Joint Stock Company (*), (***)	119,200,000,000	-	-	119,200,000,000	-	-

(*) As at 30 June 2022, the Group has not reliably determined the fair value of the investment in the above company, as its shares have not been listed on the stock exchange.

(**) 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, the Company owned 30% of the charter capital of this company.

(***) Pursuant to the Resolution 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 Group Real Estate Joint Stock Company. Accordingly, the Group owned 12.97% of the charter capital of this company.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2022 VND	31.12.2021 VND
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	109,929,759,407	110,715,804,421
Others	408,352,718,661	428,970,379,253
Related parties (Note 35(b))	11,255,738,320	9,897,160,560
	<u>529,538,216,388</u>	<u>549,583,344,234</u>

As at 30 June 2022 and 31 December 2021, the balances of short-term trade accounts receivable which were past due amounting to VND22,562,217,790 and VND25,823,843,454, respectively as presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2022 VND	31.12.2021 VND
Third parties	47,153,265,470	47,549,408,310

As at 30 June 2022 and 31 December 2021, there was no third party supplier who had a balance accounting for 10% or more of the total balance of short-term prepayments to suppliers.

7 OTHER RECEIVABLES**(a) Short-term**

	30.6.2022 VND	31.12.2021 VND
Interest income	57,613,597,883	31,374,193,230
Deposits	6,936,817,522	7,092,183,863
Advances to employees	9,547,409,773	1,411,780,131
Others	1,304,646,509	134,356,454
	<u>75,402,471,687</u>	<u>40,012,513,678</u>

7 OTHER RECEIVABLES (continued)

(b) Long-term

	30.6.2022 VND	31.12.2021 VND
Deposits (*)	285,052,830,311	285,052,830,311
Interest receivables (Note 30) (*)	50,109,851,766	31,733,706,294
Other deposits	12,326,494,600	5,549,976,800
	<u>347,489,176,677</u>	<u>322,336,513,405</u>

- (*) According to the Resolution No. 01-2021/NQ-GAC dated 11 January 2021 of the Board of Directors, the Group signed the purchase option agreements for real estates of the Novaworld Phan Thiet project. Accordingly, the Group deposited VND285,052,830,311 in 2021. In addition, according to the above agreements, the Group can exercise the real estate purchase option in March 2023. In case the Group does not exercise the purchase option, the Group will receive the entire deposits, together with the interest income calculated at the interest rate of 13%/annum from the date of the Group placed the deposits. Accordingly, the Group recognised the above interest income in the consolidated financial statements for the year ended 31 December 2021 and six-month period ended 30 June 2022 based on the current Management's intention not to exercise the purchase option for real estates of Novaworld Phan Thiet project.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

8 DOUBTFUL DEBTS

		30.6.2022			31.12.2021				
		Cost VND	Recoverable amount VND	Provision VND	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	5,235,808,302	91,525,539	5,144,282,763	Over 2 years, under 3 years		241,525,539	5,494,282,763	Over 1 year, under 2 years
	An Gia Hung Investment Construction Joint Stock Company	4,437,696,765	489,622,641	3,948,074,124	Over 2 years, under 3 years		1,575,821,482	3,586,243,085	Over 3 years
	Others	12,888,712,723	4,012,026,661	8,876,686,062	Over 1 year, under 2 years		-	1,702,657,460	Over 1 year, under 2 years
		<u>22,562,217,790</u>	<u>4,593,174,841</u>	<u>17,969,042,949</u>			<u>5,241,156,771</u>	<u>7,982,156,354</u>	Over 6 months, under 1 year
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		241,525,539	5,494,282,763	Over 1 year, under 2 years
	An Gia Hung Investment Construction Joint Stock Company	5,162,064,567	1,575,821,482	3,586,243,085	Over 3 years		1,575,821,482	3,586,243,085	Over 3 years
	Hung Long Phat Investment and Construction Joint Stock Company	1,702,657,460	-	1,702,657,460	Over 1 year, under 2 years		-	1,702,657,460	Over 1 year, under 2 years
	Others	13,223,313,125	5,241,156,771	7,982,156,354	Over 6 months, under 1 year		5,241,156,771	7,982,156,354	Over 6 months, under 1 year
		<u>25,823,843,454</u>	<u>7,058,503,792</u>	<u>18,765,339,662</u>			<u>7,058,503,792</u>	<u>18,765,339,662</u>	

9 INVENTORIES

	30.6.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	78,319,003,366	-	67,937,512,526	-
Raw materials	679,082,057,056	(10,756,472,800)	645,187,320,053	(10,837,133,507)
Work in progress	271,431,921,292	(11,778,817,660)	219,733,748,906	(9,962,248,945)
Finished goods	321,775,837,891	(7,152,453,278)	262,604,133,943	(7,129,120,735)
Merchandise	209,483,269,319	(2,483,725,664)	214,413,955,171	(1,646,856,947)
	<u>1,560,092,088,924</u>	<u>(32,171,469,402)</u>	<u>1,409,876,670,599</u>	<u>(29,575,360,134)</u>

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

	For six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	29,575,360,134	18,989,311,695
Increase	2,596,109,268	10,586,048,439
End of period/year	<u>32,171,469,402</u>	<u>29,575,360,134</u>

10 PREPAID EXPENSES

(a) Short-term

	30.6.2022 VND	31.12.2021 VND
Tools and supplies	8,474,099,585	6,509,339,745
Advertising	5,406,011,065	4,387,837,446
Showroom and samples	1,542,151,652	2,887,226,915
Insurance	1,863,718,221	3,654,896,210
Rental	1,652,279,140	657,731,830
Others	7,900,542,825	3,910,800,942
	<u>26,838,802,488</u>	<u>22,007,833,088</u>

10 PREPAID EXPENSES (continued)

(b) Long-term

	30.6.2022 VND	31.12.2021 VND
Land rental (*)	164,257,650,845	166,619,048,110
Office and factory renovation	6,304,725,867	10,187,849,775
Tools and supplies	8,023,048,405	8,459,188,700
Rental	2,024,988,628	2,048,043,527
Others	6,170,991,985	2,766,440,388
	<u>186,781,405,730</u>	<u>190,080,570,500</u>

(*) Land use right of land plots No.750, No.441 and No.820 located in Binh Duong Province have been pledged for short-term borrowings with banks (Note 19).

Movement of long-term prepayment during the period/year is as follows:

	For six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	190,080,570,500	212,227,664,545
Increase	16,316,451,272	17,689,106,871
Allocation during the period/year	(19,615,616,042)	(39,836,200,916)
End of period/year	<u>186,781,405,730</u>	<u>190,080,570,500</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

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	340,539,701,857	520,308,630,806	121,087,920,617	13,799,376,814	25,083,505,308	1,020,819,135,402
New purchases	-	1,102,333,000	136,840,849	226,440,000	-	1,465,613,849
Disposals	(640,077,650)	(488,022,037)	(790,409,090)	-	(1,728,348,337)	(3,646,857,114)
As at 30 June 2022	339,899,624,207	520,922,941,769	120,434,352,376	14,025,816,814	23,355,156,971	1,018,637,892,137
Accumulated depreciation						
As at 1 January 2022	143,954,430,459	257,738,639,894	67,684,150,481	11,582,668,893	21,699,926,891	502,659,816,618
Charge for the period	16,186,236,236	29,812,210,274	6,879,737,196	815,663,333	614,648,360	54,308,495,399
Disposals	(425,590,936)	(488,022,037)	(658,674,241)	-	(1,728,348,337)	(3,300,635,551)
As at 30 June 2022	159,715,075,759	287,062,828,131	73,905,213,436	12,398,332,226	20,586,226,914	553,667,676,466
Net book value						
As at 1 January 2022	196,585,271,398	262,569,990,912	53,403,770,136	2,216,707,921	3,383,578,417	518,159,318,784
As at 30 June 2022	180,184,548,448	233,860,113,638	46,529,138,940	1,627,484,588	2,768,930,057	464,970,215,671

Historical cost of tangible fixed assets fully depreciated but still in use as at 30 June 2022 was VND73 billion (as at 31 December 2021: VND45 billion)

As at 30 June 2022 tangible fixed assets with a carrying value of VND145.9 billion (as at 31 December 2021: VND165 billion) were pledged with banks as security for short-term borrowings granted to the Group (Note 19).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2022 and 30 June 2022	8,090,909,091	24,057,658,255	32,148,567,346
Accumulated amortisation			
As at 1 January 2022	1,621,610,666	13,925,241,281	15,546,851,947
Charge for the period	110,902,259	1,835,832,360	1,946,734,619
As at 30 June 2022	1,732,512,925	15,761,073,641	17,493,586,566
Net book value			
As at 1 January 2022	6,469,298,425	10,132,416,974	16,601,715,399
As at 30 June 2022	6,358,396,166	8,296,584,614	14,654,980,780

Historical cost of intangible fixed assets fully amortised but still in use as at 30 June 2022 was VND619 million (as at 31 December 2021: VND499 million).

As at 30 June 2022, intangible fixed assets with a carrying value of VND6.4 billion (as at 31 December 2021: VND6.5 billion) were pledged with banks as security for short-term borrowings granted to the Group (Note 19).

12 CONSTRUCTION IN PROGRESS

	30.6.2022 VND	31.12.2021 VND
Office renovation	958,351,030	289,317,394
Software under installation	458,620,000	-
Machinery and equipment	195,728,354	1,136,229,555
	<u>1,612,699,384</u>	<u>1,425,546,949</u>

12 CONSTRUCTION IN PROGRESS (continued)

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

	For the six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	1,425,546,949	2,660,445,161
Increase during the period/year	187,152,435	3,298,694,380
Transferred to tangible fixed assets	-	(4,069,992,592)
Transferred to intangible fixed assets	-	(463,600,000)
	<u>1,612,699,384</u>	<u>1,425,546,949</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2022 VND	31.12.2021 VND
Third parties		
Vina Eco Board Limited	35,307,632,720	43,186,580,407
Others	265,947,840,200	246,000,506,100
	<u>301,255,472,920</u>	<u>289,187,086,507</u>

As at 30 June 2022 and 31 December 2021, there was no balance of short-term trade accounts payable that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2022 VND	31.12.2021 VND
Third parties		
Ricons Construction Investment Joint Stock Company	24,530,439,280	25,006,837,086
Others	178,333,675,336	181,017,931,436
	<u>202,864,114,616</u>	<u>206,024,768,522</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2022 VND	Receivable during the period VND	Received during the period VND	As at 30.6.2022 VND
(a) Receivables				
Import tax to be reclaimed	518,077,900	6,773,586,338	(5,410,581,103)	1,881,083,135
Personal income tax	1,021,180	6,141,723	(7,162,903)	-
Others	52,405,365	74,382,408	(41,273,062)	85,514,711
	<u>571,504,445</u>	<u>6,854,110,469</u>	<u>(5,459,017,068)</u>	<u>1,966,597,846</u>
(b) Payables				
VAT	8,903,403,215	65,462,150,317	(68,768,359,526)	5,597,194,006
CIT	24,641,691,956	61,492,650,481	(49,649,203,018)	36,485,139,419
Personal income tax	2,487,269,557	9,275,557,039	(8,843,133,990)	2,919,692,606
Import tax	13,998,252	5,890,454,034	(5,890,483,054)	13,969,232
	<u>36,046,362,980</u>	<u>142,120,811,871</u>	<u>(133,151,179,588)</u>	<u>45,015,995,263</u>

16 PAYABLES TO EMPLOYEES

Payables to employees as at 30 June 2022 and 31 December 2021 represent salary and bonus payable to employees.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2022 VND	31.12.2021 VND
Staff costs	35,610,436,848	19,851,116,334
Trade discounts	4,679,137,609	-
Advertising	311,151,607	368,536,028
Others	6,832,188,198	4,607,318,543
	<u>47,432,914,262</u>	<u>24,826,970,905</u>

18 OTHER SHORT-TERM PAYABLES

	30.6.2022 VND	31.12.2021 VND
Social insurance, health insurance and trade union	6,293,371,238	9,782,939,000
Appropriation to the charity fund (Note 24)	5,000,000,000	-
Other	579,984,017	1,576,945,360
	<u>11,873,355,255</u>	<u>11,359,884,360</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

19 SHORT-TERM BORROWINGS

	As at 1.1.2022 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2022 VND
Bank loans (*)	566,975,088,269	1,305,449,222,376	(1,135,761,029,780)	866,793,072	737,530,073,937

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

	Currency	As at 30.6.2022 VND	Term Months	Expiry date	Interest (%/annum)	Collateral
Vietnam Maritime Commercial Joint Stock Bank	VND	188,808,915,241	4	22/08/2022	4,5	Land use right and assets belonged to land plot No.750.
Shinhan Bank Vietnam Limited	VND	133,710,025,617	6	20/09/2022	4,1	Bank deposit contracts with the value of VND103 billion
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	68,535,443,742	3 - 4	11/10/2022	4,5 - 4,6	Debt collection rights, land use rights and assets belonged to land plot no. 441 and 820.
	USD	55,273,408,699	3	29/09/2022	2,2	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	230,309,895,933	6	22/12/2022	4,4	Bank deposit contracts with the value of VND222 billion at Joint Stock Commercial Bank for Foreign Trade of Vietnam
	USD	60,892,384,705	6	08/12/2022	2,1	
		<u>737,530,073,937</u>				

20 BONUS AND WELFARE FUNDS

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

	For six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	2,666,298,490	175,035,270
Increase (Note 24)	53,997,434,435	99,429,062,310
Decrease	(7,608,374,959)	(96,937,799,090)
End of period/year	<u>49,055,357,966</u>	<u>2,666,298,490</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 2.17 and Note 2.18.

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 taxation authority. The offset amounts were as follows:

	30.6.2022 VND	31.12.2021 VND
Deferred tax assets are calculated base on:		
Provision of severance allowance	506,680,750	506,680,750
Provision for dismantling cost	580,043,881	580,043,881
Provision for decline in value of inventories	5,273,847,356	5,104,784,489
Impact of unrealised profit in consolidation	1,331,433,206	2,105,303,319
	<u>7,692,005,193</u>	<u>8,296,812,439</u>

The movement in the deferred income tax assets, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	For six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	8,296,812,439	8,962,615,918
Consolidated interim income statement credit	(604,807,246)	(665,803,479)
End of period/year	<u>7,692,005,193</u>	<u>8,296,812,439</u>

22 DEFERRED INCOME TAX (continued)

Details of deferred tax assets:

	30.6.2022 VND	31.12.2021 VND
Deductible temporary differences	7,692,005,193	8,296,812,439

The Group 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 shares**

	30.6.2022	31.12.2021
Number of shares registered	135,846,122	87,656,844
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

	30.6.2022		31.12.2021	
	Ordinary shares	%	Ordinary shares	%
NC Viet Nam Investment Ltd.	67,984,860	50.05	43,861,200	50.05
Sumimoto 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
	135,836,522	100.00	87,640,744	100.00

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 30 June 2022	135,836,522	1,358,461,220,000	(653,230,147)	1,357,807,989,853

Par value per share: VND10,000.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

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	1,215,106,884,397	3,516,691,508,324
Net profit for the year	-	-	-	-	451,279,222,834	451,279,222,834
Dividends paid in cash	-	-	-	-	(104,826,892,800)	(104,826,892,800)
Appropriation to the investment and development fund	-	-	-	40,214,669,748	(40,214,669,748)	-
Appropriation to the bonus and welfare fund	-	-	-	-	(59,839,062,310)	(59,839,062,310)
Transfer to bonus and welfare fund	-	-	-	(39,590,000,000)	-	(39,590,000,000)
Appropriation to the Charity Funds	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Treasury shares repurchased	-	-	(65,000,000)	-	-	(65,000,000)
Treasury shares cancelled	(65,000,000)	-	65,000,000	-	-	-
Treasury shares sold	-	10,832,823,647	19,392,769,853	-	-	30,225,593,500
Other	-	-	-	(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)	25,138,524,261	1,456,505,482,374	3,776,798,905,191
Capital increased during the period (i)	43,754,300,000	(6,100,000)	-	-	-	43,748,200,000
Net profit for the period	-	-	-	-	278,696,071,132	278,696,071,132
Dividends paid in shares (ii)	438,203,480,000	-	-	-	(438,203,480,000)	-
Dividends paid in cash ((i) and (iii))	-	-	-	-	(315,493,416,000)	(315,493,416,000)
Appropriation to the bonus and welfare fund (iv)	-	-	-	-	(28,864,297,440)	(28,864,297,440)
Appropriation to the charity fund (Note 18) (iv)	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Transfer to bonus and welfare fund (iv)	-	-	-	(25,133,136,995)	-	(25,133,136,995)
As at 30 June 2022	1,358,461,220,000	1,419,298,588,703	(653,230,147)	5,387,266	947,640,360,066	3,724,752,325,888

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 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.20/2022/QĐ-GAC dated 20 April 2022, the Board of Directors approved 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 VND 438,203,480,000.
- (iii) Pursuant to the Resolution of the Annual General Meeting of Shareholders No. 09/2022/NQ-GAC dated 06 June 2022 and Resolution of the Board of Directors No.10/2022/NQ-GAC, the Board of Directors approved the 2nd dividend payment 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 of the Annual General Meeting of Shareholders No. 09/2022/NQ-GAC dated 06 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; and transfer the entire remaining balance of the Company's Investment and Development Fund to the Bonus and Welfare Fund.

Pursuant to the Decision no 81-2022/QĐ-SXGAC dated 15 June 2022, the Chairman of An Cuong Wood – Working Manufacturing Company Limited approved the appropriation of bonus and welfare fund at the rate of 10% on profit after tax in the audited financial statements of An Cuong Wood – Working Manufacturing Company Limited as at 31 December 2021, equivalent to VND22,203,516,617. After deducting the appropriation during the year 2021, which is VND 6,879,871,356, the additional appropriation in year 2022 is VND15,323,645,261.

Pursuant to the Decision no 55-2022/QĐ-MLC dated 15 June 2022, the Chairman of Maloca Company Limited approved the appropriation of bonus and welfare fund at the rate of 10% on profit after tax in the audited financial statements of Malloca Company Limited as at 31 December 2021, equivalent to VND2,850,468,311.

25 DIVIDENDS

	For six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	-	-
Increase (Note 24)	753,696,896,000	104,826,892,800
Payment in cash (Note 24)	(315,314,058,500)	(104,826,892,800)
Payment in shares (Note 24)	(438,203,480,000)	-
End of period/year	<u>179,357,500</u>	<u>-</u>

26 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to Shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares.

The details were as follows:

	<u>For the six-month period ended</u>	
	30.6.2022	30.6.2021 (Restated) (**)
Net profit attributable to shareholders (VND)	278,696,071,132	237,475,545,480
Less amount allocated to bonus and welfare funds (VND) (*)	-	(35,277,006,160)
	<u>278,696,071,132</u>	<u>202,198,539,320</u>
Weighted average number of ordinary shares in circulation (shares)	106,764,199	87,357,683
Basic earnings per share (VND)	<u>2,610</u>	<u>2,315</u>

(*) For the six-month period ended as at 30 June 2022, the Group has not had the plan to appropriate the bonus and welfare funds from undistributed earnings of 2022.

26 EARNINGS PER SHARE (continued)

(a) Basic earnings per share (continued)

(**) Basic earnings per share of 6 months 2021 were recalculated as per Circular 200/2014/TT-BTC dated 20 December 2014 issued by Ministry of Finance as follows:

	As previously reported	Adjustments (***)	As restated under Circular 200
Net profit attributable to shareholders (VND)	237,475,545,480	(35,277,006,160)	202,198,539,320
Weighted average number of ordinary shares in circulation (shares)	87,357,683	-	87,357,683
Basic earnings per share (VND)	2,718		2,315

(***) Pursuant to the Resolution of Extraordinary General Meeting of Shareholders No.12-2021/NQ-GAC dated 22 November 2021, the General Meeting of Shareholders approved the appropriation of Bonus and Welfare fund at the rate of 3% on profit after tax in the consolidated interim financial statements of six-month period ended 30 June 2021, equivalent to VND7,124,266,364 (Note 24(iv)) and Development and Investment fund at the rate of 5% on profit after tax in the consolidated interim financial statements of six-month period ended 30 June 2021. This appropriation of Development and Investment fund then has been fully transferred to Bonus and Welfare fund according to the Resolution of Annual General Meeting of Shareholders No.09-2022/NQ-GAC dated 6 June 2022.

Pursuant to the Decision no 153-2021/QĐ-SXGAC dated 1 November 2021, the Chairman of An Cuong Wood-Working Manufacturing Company Limited approved the appropriation of Development and Investment fund at the rate of 3% on profit after tax of six-month period ended 30 June 2021, equivalent to VND3,439,935,678. This appropriation of Development and Investment fund then has been fully transferred to Bonus and Welfare fund according to the Decision No.81-2022/QĐ-SXGAC dated 16 June 2022.

Pursuant to the Decision No.81-2022/QĐ-SXGAC and the Decision No.55-2022/QĐ-MLC dated 15 June 2022, the Chairman of An Cuong Wood-Working Manufacturing Company Limited and Malloca Company Limited approved the appropriation of Bonus and Welfare fund at the rate of 10% on profit after tax in the audited financial statements for the year ended 31 December 2021, equivalent to VND22,203,516,617 và VND2,850,468,311, respectively. The adjustment amount to net profit attributable to shareholders equivalent to 10% on profit after tax in the interim financial statements for the six-month period ended 30 June 2021 of An Cuong Wood-Working Manufacturing Company Limited and Malloca Company Limited, equivalent to VND11,466,452,259 and VND1,372,574,585, respectively.

26 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The Group has no ordinary shares that have a dilutive effect during the period and until the date of these consolidated interim financial statements. Therefore, the diluted earnings per share shall be equal to the basic earnings per share.

27 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

As at 30 June 2022, included in cash are balances held in foreign currencies of US\$218,700 and EUR55,783 (as at 31 December 2021: US\$97,120 and EUR7,561).

(b) Operating lease assets

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

28 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Revenue		
Revenue from sales of goods	1,912,744,478,395	1,708,722,401,399
Revenue from rendering of services	13,123,584,180	10,871,756,543
	<u>1,925,868,062,575</u>	<u>1,719,594,157,942</u>
Sales deductions		
Sales returns	(6,110,898,986)	(5,946,450,065)
Trade discounts	(4,918,365,315)	(4,606,958,639)
Sales allowances	(4,655,560)	(34,560,000)
	<u>(11,033,919,861)</u>	<u>(10,587,968,704)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of goods	1,901,710,558,534	1,698,134,432,695
Net revenue from rendering of services	13,123,584,180	10,871,756,543
	<u>1,914,834,142,714</u>	<u>1,709,006,189,238</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Cost of goods sold	1,349,940,988,788	1,221,258,013,535
Cost of services rendered	3,034,790,981	2,956,712,774
Provision/(reversal of provision) for decline in value of inventories	2,596,109,268	(1,326,486,057)
	<u>1,355,571,889,037</u>	<u>1,222,888,240,252</u>

30 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Interest income from bank deposits	40,389,717,299	47,421,313,169
Interest income from deposits (Note 7(b))	18,376,145,472	13,052,983,825
Interest income from bonds	10,520,810,959	8,375,276,712
Dividend income (Note 25)	8,940,000,000	-
Interest income from lending	2,368,917,808	240,618,167
Realised foreign exchange gains	5,752,449,558	5,502,733,962
Net gain from foreign currency translation at period-end	286,947,881	1,197,355,164
	<u>86,634,988,977</u>	<u>75,790,280,999</u>

31 SELLING EXPENSES

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Staff costs	100,706,319,192	88,735,872,380
Marketing and advertising	31,248,849,009	33,536,346,244
Transportation	30,016,583,070	26,278,891,069
Rental	16,466,193,052	16,055,820,893
Repair and maintenances	10,062,593,111	10,609,397,385
Depreciation and amortisation	7,246,626,722	7,353,872,712
Tools and supplies	3,905,666,463	5,496,505,446
Others	26,526,383,775	21,795,501,546
	<u>226,179,214,394</u>	<u>209,862,207,675</u>

32 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Staff costs	36,479,137,334	30,725,110,513
Depreciation and amortisation	2,179,929,066	2,237,082,211
(Reversal of provision)/provision for doubtful debts	(796,296,713)	5,829,943,662
Tools and supplies	509,918,317	553,395,109
Professional fees	2,013,390,102	988,697,584
Others	24,163,581,086	17,037,898,220
	<u>64,549,659,192</u>	<u>57,372,127,299</u>

33 CORPORATE INCOME TAX (“CIT”)

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

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Net accounting profit before tax	340,793,528,860	287,494,691,004
Tax calculated at a rate of 20%	68,158,705,772	57,498,938,201
Effect of:		
Expenses not deductible for tax purposes	7,884,062,993	5,056,108,408
Tax deduction	(12,209,214,908)	(12,584,315,255)
Income not subject to tax	(1,788,000,000)	-
Under-provision in previous years	51,903,871	48,414,170
CIT (*)	<u>62,097,457,728</u>	<u>50,019,145,524</u>
Charged to the consolidated interim income statement:		
CIT – current	61,492,650,481	48,176,535,560
CIT – deferred (Note 22)	604,807,247	1,842,609,964
	<u>62,097,457,728</u>	<u>50,019,145,524</u>

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

34 COST OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the period from the Group's operating activities excluding cost of merchandises for trading activities. The details are as follows:

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
Raw materials	1,281,083,492,802	952,340,980,797
Staff costs	275,964,440,486	268,334,018,263
Outside services	107,558,765,411	114,739,378,259
Depreciation and amortisation	56,255,230,018	57,527,424,519
Tools and supplies	39,770,221,961	44,071,214,352
Transportation	28,899,017,692	26,278,891,069
Others	99,110,670,507	69,659,257,992
	<u>1,888,641,838,877</u>	<u>1,532,951,165,251</u>

35 RELATED PARTY DISCLOSURES

As at 30 June 2022 and the six months period then ended, the Group had balances and/or transactions with the related parties:

Related parties	Relationship
Central Hill Real Estate Joine 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 the Chairman's family member
Mr. Le Duc Nghia	Chairman

(a) Related party transactions

During the period, the following major transactions were carried out with related parties:

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
i) Sales of goods		
Trung Hieu Plywood Company Limited	31,221,027,161	29,682,208,748
Sumitomo Forestry (Singapore) Ltd.	5,318,587,910	-
	<u>36,539,615,071</u>	<u>29,682,208,748</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
ii) Borrowings drawdown		
Mr. Le Duc Nghia	-	102,000,000,000
iii) Repayment of borrowings		
Mr. Le Duc Nghia	-	102,000,000,000
iv) Interest expense		
Mr. Le Duc Nghia	-	425,654,794
v) Dividend paid in cash during the period (Note 25)		
NC Vietnam Investment Ltd.	157,900,320,000	52,633,440,000
Sumitomo Forestry (Singapore) Ltd.	61,876,519,000	20,625,506,400
Whitlam Holding Pte. Ltd	57,002,400,000	19,000,800,000
vi) Dividend paid in shares during the period (Note 25)		
NC Vietnam Investment Ltd.	219,306,000,000	-
Sumitomo Forestry (Singapore) Ltd.	85,939,610,000	-
Whitlam Holding Pte. Ltd	79,170,000,000	-
vii) Investment in associate (Note 4(b))		
Central Hill Real Estate Joint Stock Company	393,631,200,000	-
viii) Compensation of key management		
Gross salaries and other benefits	10,906,454,818	10,595,115,385

35 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties

	30.6.2022 VND	31.12.2021 VND
<i>Short-term trade accounts receivable (Note 5)</i>		
Trung Hieu Plywood Company Limited	10,862,232,679	9,897,160,560
Sumitomo Forestry (Singapore) Ltd.	393,505,641	-
	<u>11,255,738,320</u>	<u>9,897,160,560</u>
<i>Investments in associate (Note 4(b))</i>		
Central Hill Real Estate Joint Stock Company	393,631,200,000	-
	<u>393,631,200,000</u>	<u>-</u>

36 NON-CASH TRANSACTIONS AFFECTING THE CONSOLIDATED CASH FLOW STATEMENT

	<u>For the six-month period ended</u>	
	30.6.2022 VND	30.6.2021 VND
Issuance of shares to pay dividends for existing shareholders	438,203,480,000	-
Conversion from borrowings to investment in associate company	267,000,000,000	-
Interest income from deposits which not yet collected (Note 30)	18,376,145,472	13,052,983,825
Interest income from bonds which not yet collected (Note 30)	10,520,810,959	8,375,276,712
	<u>10,520,810,959</u>	<u>8,375,276,712</u>

37 OPERATING LEASE COMMITMENTS

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

	30.6.2022 VND	30.6.2021 VND
Within one year	50,053,161,821	39,830,263,553
Between one and five years	126,219,646,813	74,837,443,552
Over five years	74,968,696,242	20,200,420,062
Total minimum payments	<u>251,241,504,876</u>	<u>134,868,127,167</u>

38 SEGMENT REPORTING

Business activity segments

Business segment information is primarily segment reporting of the Group. Its business is manufacturing and trading wooden household, industrial wooden items, artificial boards, interior decoration, kitchen equipment, and other wooden related products and they are the main activities to earn revenue and gain profit for the Group, whereas other incomes account for a small proportion in total revenue of the Group, therefore, the Board for Management assessed that the Group operates in one business activity segment only.

Geographical segments

The primarily segment reporting of the Group is presented in term of business segment. Therefore, the Group presented the geographical segments as the secondary segment information and including information as follows:

	For the six-month period ended 30 June 2022		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	1,607,932,123,749	306,902,018,965	1,914,834,142,714
Cost of goods sold and services rendered	(1,076,335,248,014)	(279,236,641,023)	(1,355,571,889,037)
Gross profit from sales of goods and rendering of services	531,596,875,735	27,665,377,942	559,262,253,677
Total expense incurred for purchases of fixed assets	1,652,766,284	-	1,652,766,284
Total carrying amount of the segment assets by geographic area of the assets	479,625,196,451	-	479,625,196,451
	For the six-month period ended 30 June 2021		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	1,454,041,274,927	254,964,914,311	1,709,006,189,238
Cost of goods sold and services rendered	(981,651,552,394)	(241,236,687,858)	(1,222,888,240,252)
Gross profit from sales of goods and rendering of services	472,389,722,533	13,728,226,453	486,117,948,986
Total expense incurred for purchases of fixed assets	5,792,381,525	-	5,792,381,525
Total carrying amount of the segment assets by geographic area of the assets	581,908,173,687	-	581,908,173,687

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

The consolidated interim financial statements were approved by the Board of Management on 12 August 2022.



Tran Anh Tuan
Preparer

Thieu Thi Ngoc Diem
Chief Accountant

Vo Thi Ngoc Anh
General Director

