

**AN CUONG WOOD-WORKING JOINT STOCK COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR QUARTER I 2023**



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FOR QUARTER I 2023**

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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. 3700748131 dated 20 September 2006 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province. The latest Enterprise Registration Certificate No. 3700748131 dated 18 April 2023.

#### Board of Directors

Mr. Le Duc Nghia	Chairman
Mr. Masao Kamibayashiyama	Deputy Chairman
Mr. Nguyen Minh Tuan	Member
Mr. Le Thanh Phong	Member
Ms. Nguyen Thi Dieu Phuong	Member
Mr. Nguyen Thanh Quyen	Independent Member
Mr. Phan Quoc Cong	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 City, Binh Duong Province, Viet Nam.

## **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 FINANCIAL STATEMENTS**

The Board of Management of An Cuong Wood-Working Joint Stock Company (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and the results of its consolidated operations and consolidated cash flows for Quarter I 2023 then ended. In preparing these consolidated 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 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 financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated 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 FINANCIAL STATEMENTS**

We hereby, approve the accompanying consolidated financial statements as set out on pages 3 to 42 which give a true and fair view of the consolidated financial position of the Group as at 31 March 2023 and of the results of its consolidated operations and consolidated cash flows for Quarter I 2023 in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Vo Thi Ngoc Anh  
General Director

Binh Duong, SR Vietnam  
24 April 2023

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31.3.2023 VND	31.12.2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>3,738,741,934,226</b>	<b>3,839,450,781,144</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>32,132,953,866</b>	<b>387,855,741,942</b>
111	Cash		31,132,953,866	70,855,741,942
112	Cash equivalents		1,000,000,000	317,000,000,000
<b>120</b>	<b>Short-term investments</b>		<b>1,228,000,000,000</b>	<b>1,049,000,000,000</b>
123	Investments held to maturity	4(a)	1,228,000,000,000	1,049,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>902,079,025,372</b>	<b>888,079,373,885</b>
131	Short-term trade accounts receivable	5	629,763,410,324	654,268,204,929
132	Short-term prepayments to suppliers	6	48,005,432,541	42,996,923,973
135	Short-term lending		2,000,000,000	2,050,000,000
136	Other short-term receivables	7(a)	253,999,794,416	219,865,694,487
137	Provision for doubtful debts – short term	8	(32,538,914,164)	(31,764,224,435)
139	Shortage of assets awaiting resolution		849,302,255	662,774,931
<b>140</b>	<b>Inventories</b>	9	<b>1,546,473,067,433</b>	<b>1,466,857,166,709</b>
141	Inventories		1,577,165,114,236	1,491,571,074,416
149	Provision for decline in value of inventories		(30,692,046,803)	(24,713,907,707)
<b>150</b>	<b>Other current assets</b>		<b>30,056,887,555</b>	<b>47,658,498,608</b>
151	Short-term prepaid expenses	10(a)	25,053,842,830	44,987,623,366
152	Value added tax ("VAT") to be reclaimed	15(a)	3,903,268,182	1,333,331,682
153	Tax and other receivables from the State	15(a)	1,099,776,543	1,337,543,560
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>1,526,389,271,557</b>	<b>1,627,756,234,720</b>
<b>210</b>	<b>Long-term receivables</b>		<b>379,508,180,060</b>	<b>366,943,654,159</b>
216	Other long-term receivables	7(b)	379,508,180,060	366,943,654,159
<b>220</b>	<b>Fixed assets</b>		<b>413,729,683,577</b>	<b>439,123,243,902</b>
221	Tangible fixed assets	11(a)	401,299,206,167	425,861,523,672
222	Historical cost		1,023,735,915,926	1,026,347,861,999
223	Accumulated depreciation		(622,436,709,759)	(600,486,338,327)
227	Intangible fixed assets	11(b)	12,430,477,410	13,261,720,230
228	Historical cost		32,568,567,346	32,568,567,346
229	Accumulated amortisation		(20,138,089,936)	(19,306,847,116)
<b>240</b>	<b>Long-term asset in progress</b>		<b>14,522,722,205</b>	<b>4,590,174,133</b>
242	Construction in progress	12	14,522,722,205	4,590,174,133
<b>250</b>	<b>Long-term investments</b>		<b>522,680,434,733</b>	<b>615,831,200,000</b>
252	Investments in associates	4(b)	403,480,434,733	401,631,200,000
253	Investments in other entity	4(b)	119,200,000,000	119,200,000,000
255	Investments held to maturity	4(a)	-	95,000,000,000
<b>260</b>	<b>Other long-term assets</b>		<b>195,948,250,982</b>	<b>201,267,962,526</b>
261	Long-term prepaid expenses	10(b)	189,974,905,067	191,951,361,477
262	Deferred income tax assets	22	5,973,345,915	9,316,601,049
<b>270</b>	<b>TOTAL ASSETS</b>		<b>5,265,131,205,783</b>	<b>5,467,207,015,864</b>

The notes on pages 7 to 42 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
**(Continued)**

Code	RESOURCES	Note	As at	
			31.3.2023 VND	31.12.2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,306,793,955,873</b>	<b>1,554,989,645,974</b>
<b>310</b>	<b>Current liabilities</b>		<b>1,295,529,571,319</b>	<b>1,542,324,168,489</b>
311	Short-term trade accounts payable	13	218,962,364,682	347,514,345,447
312	Short-term advances from customers	14	197,784,088,880	160,976,991,093
313	Tax and other payables to the State	15(b)	10,796,028,607	122,055,076,239
314	Payables to employees	16	15,907,742,302	23,034,215,577
315	Short-term accrued expenses	17	23,894,494,081	30,570,918,651
318	Short-term unearned revenue		1,505,344,632	1,630,344,632
319	Other short-term payables	18	2,601,074,971	3,798,017,175
320	Short-term borrowings	20	789,056,319,097	813,722,672,711
322	Bonus and welfare funds	19	35,022,114,067	39,016,837,567
<b>330</b>	<b>Non-current liabilities</b>		<b>11,264,384,554</b>	<b>12,670,226,882</b>
336	Long-term unearned revenue		1,601,321,558	1,883,907,715
342	Provision for long-term liabilities	21	9,663,062,996	10,786,319,167
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>3,958,337,249,910</b>	<b>3,912,217,369,890</b>
<b>410</b>	<b>Capital and reserves</b>		<b>3,958,337,249,910</b>	<b>3,912,217,369,890</b>
411	Owners' capital	23, 24	1,358,461,220,000	1,358,461,220,000
411a	- Ordinary shares with voting rights		1,358,461,220,000	1,358,461,220,000
412	Share premium	24	1,419,298,588,703	1,419,298,588,703
415	Treasury shares	24	(653,230,147)	(653,230,147)
418	Investment and development funds	24	5,387,266	5,387,266
421	Undistributed earnings	24	1,171,426,754,088	1,135,105,404,068
421a	- Undistributed post-tax profits of previous years		1,135,105,404,068	519,524,114,733
421b	- Post-tax profits of current period/year		36,321,350,020	615,581,289,335
429	Non-controlling interests	24	9,798,530,000	-
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>5,265,131,205,783</b>	<b>5,467,207,015,864</b>



 Tran Anh Tuan  
 Preparer



 Thieu Thi Ngoc Diem  
 Chief Accountant



 Vo Thi Ngoc Anh  
 General Director  
 24 April 2023

The notes on pages 7 to 42 are an integral part of these consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT

Code	Note	For the three-month period ended	
		31.3.2023 VND	31.3.2022 VND
01	Revenue from sales of goods and rendering of services	684,538,140,608	861,844,817,545
02	Less deductions	(4,588,004,757)	(5,841,327,445)
10	Net revenue from sales of goods and rendering of services	679,950,135,851	856,003,490,100
11	Cost of goods sold and services rendered	(489,058,095,016)	(604,335,976,282)
20	Gross profit from sales of goods and rendering of services	190,892,040,835	251,667,513,818
21	Financial income	40,572,610,140	41,422,357,122
22	Financial expenses	(16,308,382,032)	(8,770,901,426)
23	- Including: Interest expense	(13,353,177,834)	(7,165,352,379)
24	Share in profits of associates	1,849,234,733	-
25	Selling expenses	(136,152,971,922)	(106,744,879,881)
26	General and administration expenses	(36,540,113,876)	(31,564,923,185)
30	Net operating profit	44,312,417,878	146,009,166,448
31	Other income	3,194,984,092	1,606,863,385
32	Other expenses	(18,825,602)	(29,809,139)
40	Net other income	3,176,158,490	1,577,054,246
50	Net accounting profit before tax	47,488,576,368	147,586,220,694
51	Corporate income tax ("CIT") – current	(7,825,441,213)	(27,430,894,338)
52	Corporate income tax - deferred	(3,343,255,135)	(243,470,637)
60	Net profit after tax	36,319,880,020	119,911,855,719
	Attributable to:		
61	Profit after tax of the Company	36,321,350,020	119,911,855,719
62	Profit after tax of non-controlling interests	(1,470,000)	-

70 Basic earnings per share 26  
71 Diluted earnings per share 26

1,368  
912

Tran Anh Tuan  
Preparer

Thieu Thi Ngoc Diem  
Chief Accountant

Vo Thi Ngoc Anh  
General Director  
24 April 2023



**CONSOLIDATED CASH FLOW STATEMENT**  
**(Indirect method)**

Code	Note	For the three-month period ended	
		31.3.2023 VND	31.3.2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>		<b>47,488,576,368</b>	<b>147,586,220,694</b>
		Adjustments for:	
02	34	26,630,808,884	28,264,811,619
03		5,629,572,654	3,013,095,825
04		316,370,588	432,781,607
05		(37,044,055,778)	(37,355,096,941)
06		13,353,177,834	7,165,352,379
<b>08</b>		<b>56,374,450,550</b>	<b>149,107,165,183</b>
09		(7,952,167,778)	63,517,901,845
10		(85,594,039,820)	(51,011,215,723)
11		(122,387,107,810)	(159,486,528,221)
12		21,910,236,946	2,954,978,103
14		(13,353,177,834)	(7,165,352,379)
15		(101,873,366,325)	(24,882,538,599)
17		(5,694,723,500)	(2,136,260,959)
<b>20</b>		<b>(258,569,895,571)</b>	<b>(29,101,850,750)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(11,926,283,364)	(1,290,127,418)
22		1,366,363,636	-
23		(114,000,000,000)	(660,800,000,000)
24		30,050,000,000	549,800,000,000
25		-	(126,631,200,000)
27		12,846,834,239	31,500,817,485
<b>30</b>		<b>(81,663,085,489)</b>	<b>(207,420,509,933)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31		9,800,000,000	-
33		592,136,890,605	1,016,237,711,254
34		(617,410,219,692)	(801,785,055,383)
36		-	(21,889,772,000)
<b>40</b>		<b>(15,473,329,087)</b>	<b>192,562,883,871</b>
<b>50</b>		<b>(355,706,310,147)</b>	<b>(43,959,476,812)</b>
<b>60</b>		<b>387,855,741,942</b>	<b>99,169,609,256</b>
61		(16,477,929)	(25,483,987)
<b>70</b>		<b>32,132,953,866</b>	<b>55,184,648,457</b>



 Tran Anh Tuan  
 Preparer



 Thieu Thi Ngoc Diem  
 Chief Accountant

 Vo Thi Ngoc Anh  
 General Director  
 24 April 2023

The notes on pages 7 to 42 are an integral part of these consolidated financial statements.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR QUARTER I 2023**
**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. 3700748131 issued by the Department of Planning and Investment of Binh Duong Province on 20 September 2006 and the latest amended Enterprise Registration Certificate dated 18 April 2023.

Shareholders of the Company include NC Vietnam Investment Company Limited, Whitlam Holding Pte. Ltd., Sumitomo Forestry (Singapore) Ltd. and other shareholders. Details 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 31 March 2023, the Group had three direct subsidiaries, one associate and one indirect subsidiary (as at 31 December 2022: the Group had three direct subsidiaries, one associate and one indirect subsidiary). Details are as follows:

Name	Location	Principal activity	31.3.2023		31.12.2022		
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)	
<b>I- Subsidiaries</b>							
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	
An Khang MDF Co.,Ltd	Tay Ninh	Manufacture and trade plywood products.	51	51	-	-	
<b>II- Associate</b>							
Thang Loi Homes Joint Stock Company	Long An Province	Trade real estate and residential projects.	30	30	-	-	

**1 GENERAL INFORMATION OF THE GROUP (continued)**

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

As at 31 March 2023, the Group had 2,740 employees (as at 31 December 2022: 2,797 employees).

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 consolidated financial statements**

The consolidated 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 financial statements in Vietnam. The consolidated 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 financial statements are not intended to present the consolidated financial position and results of consolidated operations and consolidated 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.

**2.2 Fiscal year**

The Group's fiscal year is from 1 January to 31 December. The consolidated financial statements for Quarter I are prepared for the three-month period from 1 January to 31 March.

**2.3 Currency**

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Group's accounting currency. The Company and its subsidiaries determine the accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on the selling prices of goods and services, which is normally used for listing selling prices and receiving payments; which is mainly used in purchases of goods or services; which has a significant impact on cost of labor, materials, and other production or operating costs; and which is normally used as payments of those costs.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank with which the Group regularly transacts. Foreign currencies deposited in banks at the consolidated 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 income statement.

**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 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Basis of consolidation (continued)*****Non- controlling transactions and interests***

The Group applies a policy for transactions with non-controlling shareholders as transactions with external parties to the Group.

Non- controlling interests (“NCI”) are measured at their proportionate share of acquiree’s identifiable net assets at date of acquisition.

***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.

The Group’s share of the post-acquisition profits or losses of its associate is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equal 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 comprise cash on hand, cash in banks and other short-term deposits 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 not arising from sales of goods and rendering of services. 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 balance sheet based on the remaining period from the consolidated 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Inventories (continued)**

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.

**2.9 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 the bond entrusted-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 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 balance sheet based on the remaining period from the consolidated balance sheet to the maturity date.

**(b) Investments in associates**

Investments in associate are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

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

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

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 balance sheet based on the remaining term of the lending as at the consolidated 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 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. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates, or over the period from the dates of purchases to the due dates of the land use right certificates.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Fixed assets (continued)***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 income statement.

*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 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 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 effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

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

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

Short-term borrowings include borrowings from banks.

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Provision for severance allowances (continued)**

The average monthly salary used for calculating the severance allowance is the employee's average salary for the year prior to the consolidated balance sheet date.

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

**2.19 Unearned revenue**

Unearned revenue includes short-term and long-term unearned revenues on the consolidated 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 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 2021) 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 2021 will be cancelled and adjusted to reduce the 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 financial statements in the period 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.

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:

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Appropriation of profit (continued)****(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 and allowances.

**(b) Investment and development fund**

The investment and development fund are 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 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

**(a) Revenue from sales of goods (continued)**

- 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 income statement.

**(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the consolidated 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:

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Revenue recognition (continued)**

- 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 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.

**(d) Dividend income**

Income from dividend is recognised when the Group has established the receiving right from investees.

**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 balance sheet date but before the issuance of the consolidated 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 borrowing; losses incurred when selling foreign currencies; losses from foreign exchange differences.

**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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

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 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 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 Accounting estimates**

The preparation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting system and applicable regulations on preparation and presentation of consolidated financial statements requires the Board 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 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 2.11 and 11);
- Estimation of provision for doubtful debts (Note 8) and provision of 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 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**

	<b>31.3.2023</b>	<b>31.12.2022</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	919,495,450	790,512,114
Cash at bank	30,213,458,416	70,065,229,828
Cash equivalents (*)	1,000,000,000	317,000,000,000
	<u>32,132,953,866</u>	<u>387,855,741,942</u>

(\*) Cash equivalents include term deposits in VND with an original maturity less than 3 months at commercial banks.

## 4 INVESTMENTS

## (a) Investments held to maturity

	As at 31.3.2023		As at 31.12.2022	
	Cost VND	Book value VND	Cost VND	Book value VND
<b>Short-term</b>				
Term deposits (i)	1,228,000,000,000	1,228,000,000,000	1,049,000,000,000	1,049,000,000,000
<b>Long-term</b>				
Term deposits	-	-	95,000,000,000	95,000,000,000

- (i) 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% - 11.5% per annum (as at 31 December 2022: 5% - 7.6% per annum).

As at 31 March 2023, the Group has pledged VND325 billion of term deposits at banks as collateral assets for the Group's borrowings.

## (b) Investments in associate and other entity

	As at 31.3.2023			As at 31.12.2022		
	Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
<b>Investment in associate</b>						
Thang Loi Homes Joint Stock Company (**)	403,480,434,733	(*)	-	401,631,200,000	(*)	-
<b>Investments in other entity</b>						
Thang Loi Group Real Estate Joint Stock Company	119,200,000,000	(*)	-	119,200,000,000	(*)	-

(\*) As at 31 March 2023 and 31 December 2022, the Group has not reliably determined the fair value of the investment in the above companies as their shares have not been listed on the stock exchange.

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

(\*\*) Movements of investment of associate during the period/ year were as follow:

	For the period ended 31.3.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/ year	401,631,200,000	-
Increase investment in associate	-	393,631,200,000
Profit sharing of Group from income statement of associate	1,849,234,733	8,000,000,000
End of period/ year	<u>403,480,434,733</u>	<u>401,631,200,000</u>

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	31.3.2023 VND	31.12.2022 VND
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	110,000,196,708	138,768,651,350
Hung Think Furniture Joint Stock Company	74,437,619,224	74,441,744,824
Others	437,825,494,142	432,177,693,461
Related parties (Note 35(b))	7,500,100,250	8,880,115,294
	<u>629,763,410,324</u>	<u>654,268,204,929</u>

As at 31 March 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due amounting to VND51,849,443,804 and VND53,015,479,411 respectively as presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	31.3.2023 VND	31.12.2022 VND
Third parties	45,191,452,041	39,194,877,973
Related parties (Note 35(b))	2,813,980,500	3,802,046,000
	<u>48,005,432,541</u>	<u>42,996,923,973</u>

As at 31 March 2023 and 31 December 2022, 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**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
Entrusted-investment (*)	156,017,700,000	156,017,700,000
Interest income	43,720,109,586	23,266,215,447
Interest income from entrusted-investment (*)	10,867,216,930	18,720,311,067
Deposits	9,011,621,656	9,596,179,470
Advances to employees	23,829,208,058	2,878,744,878
Others	1,235,938,186	68,543,625
Related parties		
Deposits for purchasing apartments (Note 35(b))	9,318,000,000	9,318,000,000
	<u>253,999,794,416</u>	<u>219,865,694,487</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 entrusted-investment contract No. GB2021001 dated 5 February 2021 signed between the Group and VinaCapital. These bonds matured on 30 December 2022. At the date of these financial statements, VinaCapital is in the process of dealing with bond issuer to collect this investment. According to 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.

**(b) Long-term**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Deposits (*)	285,052,830,311	285,052,830,311
Interest receivables (*)	77,927,884,136	68,790,574,235
Other deposits	16,527,465,613	13,100,249,613
	<u>379,508,180,060</u>	<u>366,943,654,159</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 reporting date, 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 Group recognised the above interest income in the consolidated financial statements for the year ended 31 December 2022 and for the period ended 31 March 2023.



## 8 DOUBTFUL DEBTS

31.3.2023				
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
Receivables that were past due:				
No.1- Lao Cai Investment				
Construction and Trading 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	4,735,807,801	-	4,735,807,801	Over 2 years, under 3 years
An Gia Hung Investment Construction Joint Stock Company	4,437,696,765	40,803,169	4,396,893,596	Over 3 years
Hung Tinh Furniture Joint Stock Company	9,368,319,179	6,557,823,425	2,810,495,754	Over 6 months
Others	14,508,129,762	3,312,157,898	11,195,971,864	Over 6 months
	<u>51,849,443,804</u>	<u>19,310,529,641</u>	<u>32,538,914,164</u>	
31.12.2022				
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
Receivables that were past due:				
No.1- Lao Cai Investment				
Construction and Trading 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	4,094,674,296	-	4,094,674,296	Over 3 years
Others	24,885,507,017	969,016,296	13,033,997,189	Over 6 months
	<u>53,015,479,411</u>	<u>10,368,761,445</u>	<u>31,764,224,435</u>	

## 9 INVENTORIES

	31.3.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	37,414,032,560	-	66,569,788,797	-
Raw materials	739,401,389,217	(14,900,474,258)	698,496,904,016	(12,170,303,242)
Work in progress	312,873,782,561	(3,215,631,302)	254,058,190,275	(4,817,028,393)
Finished goods	274,668,320,971	(9,913,430,063)	257,228,857,354	(6,267,073,649)
Merchandise	212,807,588,927	(2,662,511,180)	208,346,077,960	(1,459,502,423)
Finished goods in transit	-	-	6,871,256,014	-
	<u>1,577,165,114,236</u>	<u>(30,692,046,803)</u>	<u>1,491,571,074,416</u>	<u>(24,713,907,707)</u>

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

	For the period ended 31.3.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/ year	24,713,907,707	29,575,360,134
Provision/ (Reversal of provision)	5,978,139,096	(4,861,452,427)
End of period/ year	<u>30,692,046,803</u>	<u>24,713,907,707</u>

## 10 PREPAID EXPENSES

## (a) Short-term

	31.3.2023 VND	31.12.2022 VND
Advertising	4,447,964,073	12,928,019,500
Showroom and samples	625,687,978	8,982,698,832
Tools and supplies	10,262,167,321	8,833,303,472
Insurance	933,550,928	1,700,396,340
Rentals	3,201,307,193	1,132,844,304
Others	5,583,165,337	11,410,360,918
	<u>25,053,842,830</u>	<u>44,987,623,366</u>

## 10 PREPAID EXPENSES (continued)

## (b) Long-term

	31.3.2023 VND	31.12.2022 VND
Land rental (*)	160,715,554,948	161,896,253,581
Office and factory renovation	10,890,803,931	12,349,834,490
Tools and supplies	10,635,885,254	9,610,550,560
Rental	1,990,406,280	2,001,933,729
Others	5,742,254,654	6,092,789,117
	<u>189,974,905,067</u>	<u>191,951,361,477</u>

(\*) Land use right of land plots located in Binh Duong Province have been pledged for short-term borrowings with banks (Note 20).

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

	For the period ended 31.3.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/year	191,951,361,477	190,080,570,500
Increase	4,568,189,433	28,512,799,532
Allocation during the period/year	(6,544,645,843)	(26,642,008,555)
End of period/year	<u>189,974,905,067</u>	<u>191,951,361,477</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09a – DN/HN

11	FIXED ASSETS	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
(a)	<b>Tangible fixed assets</b>						
	<b>Historical cost</b>						
	As at 1 January 2023	339,271,930,453	520,942,191,089	132,320,813,917	12,269,901,018	21,543,025,522	1,026,347,861,999
	New purchases	-	1,137,508,928	856,226,364	-	-	1,993,735,292
	Disposals	-	(1,228,781,329)	(3,334,255,000)	-	-	(4,563,036,329)
	Write off	-	-	-	(42,645,036)	-	(42,645,036)
	As at 31 March 2023	339,271,930,453	520,850,918,688	129,842,785,281	12,227,255,982	21,543,025,522	1,023,735,915,926
	<b>Accumulated depreciation</b>						
	As at 1 January 2023	174,729,496,316	315,792,974,353	79,389,909,760	11,320,287,632	19,253,670,266	600,486,338,327
	Charge for the year	7,717,343,788	14,164,016,972	3,444,375,077	266,025,902	207,804,325	25,799,566,064
	Disposals	-	(650,797,626)	(3,155,751,970)	-	-	(3,806,549,596)
	Write off	-	-	-	(42,645,036)	-	(42,645,036)
	As at 31 March 2023	182,446,840,104	329,306,193,699	79,678,532,867	11,543,668,498	19,461,474,591	622,436,709,759
	<b>Net book value</b>						
	As at 1 January 2023	164,542,434,137	205,149,216,736	52,930,904,157	949,613,386	2,289,355,256	425,861,523,672
	As at 31 March 2023	156,825,090,349	191,544,724,989	50,164,252,414	683,587,484	2,081,550,931	401,299,206,167

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 March 2023 was VND89,713,967,868 (as at 31 December 2022: VND89,896,494,233).

As at 31 March 2023, tangible fixed assets with the carrying value of VND110,063,727,485 (as at 31 December 2022: VND116,847,874,120 ) were pledged with banks as security for short-term borrowings granted to the Group (Note 20).

## 11 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2023 and as at 31 March 2023	8,090,909,091	24,477,658,255	<b>32,568,567,346</b>
<b>Accumulated amortisation</b>			
As at 1 January 2023	1,843,415,183	17,463,431,933	<b>19,306,847,116</b>
Charge for the year	55,451,129	775,791,691	<b>831,242,820</b>
As at 31 March 2023	1,898,866,312	18,239,223,624	<b>20,138,089,936</b>
<b>Net book value</b>			
As at 1 January 2023	6,247,493,908	7,014,226,322	<b>13,261,720,230</b>
As at 31 March 2023	6,192,042,779	6,238,434,631	<b>12,430,477,410</b>

Historical cost of intangible fixed assets fully amortised but still in use as at 31 March 2023 was VND3,398,852,090 (as at 31 December 2022: VND3,398,852,090).

As at 31 March 2023, intangible fixed assets with the carrying value of VND6,192,042,779 (as at 31 December 2022: VND6,247,493,908) were pledged with banks as security for short-term borrowings granted to the Group (Note 20).

## 12 CONSTRUCTIONS IN PROGRESS

	31.3.2023 VND	31.12.2022 VND
Office and factory renovation	3,450,755,383	958,351,030
Machinery and equipment	4,600,200,018	2,577,468,673
Management software	6,468,203,806	934,020,000
Others	3,562,998	120,334,430
	<u>14,522,722,205</u>	<u>4,590,174,133</u>

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

	For the period ended 31.3.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/ year	4,590,174,133	1,425,546,949
Increase during the period/ year	9,932,548,072	3,164,627,184
End of period/ year	<u>14,522,722,205</u>	<u>4,590,174,133</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>31.12.2022</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
MDF VRG Kien Giang Joint Stock Company	29,858,386,938	55,556,518,023
Vina Eco Board Limited	30,830,028,619	20,560,698,097
Others	157,255,686,533	270,577,217,913
Related parties (Note 35 (b))	1,018,262,592	819,911,414
	<u>218,962,364,682</u>	<u>347,514,345,447</u>

As at 31 March 2023 and 31 December 2022, there was no balance of short-term trade accounts payable that was past due.

**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

	<b>31.03.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties	<u>197,784,088,880</u>	<u>160,976,991,093</u>

As at 31 March 2023 and 31 December 2022, there was no third-party customers had a balance accounting for more than 10% of the total balance of short-term advances.

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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 1.1.2023 VND	Receivables during the period VND	Received during the period VND	Net-off during the period	As at 31.3.2023 VND
<b>(a) Receivables</b>					
Value added tax ("VAT") input	1,333,331,682	60,930,075,918	-	(58,360,139,418)	3,903,268,182
Import tax to be reclaimed	1,226,576,245	2,139,045,001	(2,320,389,086)	-	1,045,232,160
Personal income tax VAT on importation	-	13,781,340	361,452	(13,781,340)	361,452
Others	44,158,296	-	(44,158,296)	-	-
	66,809,019	280,311,257	(292,937,345)	-	54,182,931
	<u>2,670,875,242</u>	<u>63,363,213,516</u>	<u>(2,657,123,275)</u>	<u>(58,373,920,758)</u>	<u>5,003,044,725</u>
<b>(b) Payables</b>					
VAT output	11,231,566,535	72,669,919,598	(22,680,691,915)	(58,360,139,418)	2,860,654,800
CIT	101,267,236,150	7,825,441,213	(101,873,366,325)	-	7,219,311,038
Personal income tax	9,464,845,957	2,775,199,646	(11,522,502,720)	(13,781,340)	703,761,543
Import tax	13,921,559	2,323,019,391	(2,324,639,724)	-	12,301,226
Others	77,506,038	65,568,080	(143,074,118)	-	-
	<u>122,055,076,239</u>	<u>85,659,147,928</u>	<u>(138,544,274,802)</u>	<u>(58,373,920,758)</u>	<u>10,796,028,607</u>

**16 PAYABLES TO EMPLOYEES**

Payables to employees as at 31 March 2023 and 31 December 2022 represent salary and bonus payable to employees.

**17 SHORT-TERM ACCRUED EXPENSES**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Staff costs	10,642,407,426	15,399,140,373
Based-investment-performance fees to VinaCapital	6,000,000,000	6,000,000,000
Advertising	-	90,108,000
Others	7,252,086,655	9,081,670,278
	<u>23,894,494,081</u>	<u>30,570,918,651</u>

**18 OTHER SHORT-TERM PAYABLES**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Compulsory insurances and trade union fee	1,189,658,793	641,512,793
Appropriation to the charity fund	430,000,000	2,135,000,000
Dividends payable to shareholders (Note 25)	263,893,700	263,893,700
Others	717,522,478	757,610,682
	<u>2,601,074,971</u>	<u>3,798,017,175</u>

**19 BONUS AND WELFARE FUNDS**

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

	<b>For the period ended</b> <b>31.3.2023</b> <b>VND</b>	<b>For the year ended</b> <b>31.12.2022</b> <b>VND</b>
Beginning of period/ year	39,016,837,567	2,666,298,490
Increase	-	53,997,434,435
Decrease	(3,994,723,500)	(17,646,895,358)
End of period/ year	<u>35,022,114,067</u>	<u>39,016,837,567</u>



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**20 SHORT-TERM BORROWINGS**

	<b>As at 1.1.2023 VND</b>	<b>Increase VND</b>	<b>Decrease VND</b>	<b>Revaluation VND</b>	<b>As at 31.3.2023 VND</b>
Bank loans (*)	813,722,672,711	592,136,890,605	(617,410,219,692)	606,975,473	789,056,319,097

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

	<b>Currency</b>	<b>As at 31.3.2023 VND</b>	<b>Term Months</b>	<b>Expiry date</b>	<b>Interest (%/annum)</b>	<b>Collateral</b>
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	460,708,693,439	6	24/04/2023- 26/09/2023	7%	Bank deposit contracts at this bank of VND222 billion, debt use rights, land use rights and assets, machineries belonged to land plot No. 218 located in Binh Duong province.
	USD	5,714,240,109	6	21/04/2023- 15/05/2023	3.6%	
Shinhan Bank Vietnam Limited	VND	59,137,088,501	3-6	30/06/2023	6.75%- 8.35%	Term deposits at banks with the value of VND103 billion.
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	110,588,004,854	3-6	01/05/2023- 06/09/2023	7.2%- 8%	Debt use rights, land use rights and assets, machineries belonged to land plot No. 441 and 820 located in Binh Duong province.
	USD	69,915,772,865	3	17/04/2023- 30/06/2023	5.2%	
Vietnam Maritime Commercial Joint Stock Bank	VND	82,992,519,329	3	04/05/2023- 06/06/2023	7.6%	Debt use rights, land use rights and assets, machineries belonged to land plot No. 750.
		<u>789,056,319,097</u>				

**21 PROVISIONS FOR LONG-TERM LIABILITIES**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Provisions for severance allowances	2,786,319,167	2,786,319,167
Provisions for dismantling costs	6,876,743,829	8,000,000,000
	<u>9,663,062,996</u>	<u>10,786,319,167</u>

**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.

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Deferred tax assets are calculated base on: Deferred tax assets are recovered after 12 months	1,644,938,216	1,757,263,833
Deferred tax assets are recovered within 12 months	4,328,407,699	7,559,337,216
	<u>5,973,345,915</u>	<u>9,316,601,049</u>

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

	<b>For the period ended</b> <b>31.3.2023</b> <b>VND</b>	<b>For the year ended</b> <b>31.12.2022</b> <b>VND</b>
Beginning of period/ year	9,316,601,049	8,296,812,439
Consolidated income statement credit	(3,343,255,135)	1,019,788,610
End of period/ year	<u>5,973,345,915</u>	<u>9,316,601,049</u>

Details of deferred tax assets:

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Deductible temporary differences	<u>5,973,345,915</u>	<u>9,316,601,049</u>

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**

	<b>31.3.2023</b>	<b>31.12.2022</b>
Number of shares registered	135,846,122	135,846,122
Number of shares issued	135,846,122	135,846,122
Number of shares repurchased	(9,600)	(9,600)
Number of existing shares in circulation	<u>135,836,522</u>	<u>135,836,522</u>

**(b) Details of owners' shareholding**

	<u>31.3.2023</u>		<u>31.12.2022</u>	
	Ordinary shares	%	Ordinary shares	%
NC Viet Nam Investment Ltd.	67,984,860	50.05	67,984,860	50.05
Whitlam Holding Pte. Ltd.	24,542,700	18.07	24,542,700	18.07
Sumitomo Forestry (Singapore) Ltd.	26,641,279	19.61	26,641,279	19.61
Others	16,667,683	12.27	16,667,683	12.27
	<u>135,836,522</u>	<u>100</u>	<u>135,836,522</u>	<u>100</u>

**(c) Movements of share capital**

	Number of shares	Ordinary shares VND	Treasury shares VND	Total VND
As at 1 January 2022	87,640,744	876,503,440,000	(653,230,147)	<b>875,850,209,853</b>
New shares issued (Note 25)	48,195,778	481,957,780,000	-	<b>481,957,780,000</b>
As at 31 December 2022	<u>135,836,522</u>	<u>1,358,461,220,000</u>	<u>(653,230,147)</u>	<b><u>1,357,807,989,853</u></b>
As at 31 March 2023	<u>135,836,522</u>	<u>1,358,461,220,000</u>	<u>(653,230,147)</u>	<b><u>1,357,807,989,853</u></b>

Par value per share: VND10,000.

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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	Non-controlling interests	Total VND
As at 1 January 2022	876,503,440,000	1,419,304,688,703	(653,230,147)	25,138,524,261	1,456,505,482,373	-	3,776,798,905,190
Capital increased during the year	43,754,300,000	(6,100,000)	-	-	-	-	43,748,200,000
Net profit for the year	-	-	-	-	615,581,289,335	-	615,581,289,335
Dividend paid in shares	438,203,480,000	-	-	-	(438,203,480,000)	-	-
Dividend paid in cash	-	-	-	-	(464,913,590,200)	-	(464,913,590,200)
Appropriation to the bonus and welfare fund	-	-	-	-	(28,864,297,440)	-	(28,864,297,440)
Transfer to bonus and welfare fund	-	-	-	(25,133,136,995)	-	-	(25,133,136,995)
Appropriation to the charity funds	-	-	-	-	(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)	5,387,266	1,135,105,404,068	-	3,912,217,369,890
Net profit for the period	-	-	-	-	36,321,350,020	(1,470,000)	36,319,880,020
Capital increased during the period	-	-	-	-	-	9,800,000,000	9,800,000,000
As at 31 March 2023	1,358,461,220,000	1,419,298,588,703	(653,230,147)	5,387,266	1,171,426,754,088	9,798,530,000	3,958,337,249,910

**25 DIVIDENDS**

	For the period ended 31.3.2023 VND	For the year ended 31.12.2022 VND
Beginning of period/ year	262,857,700	-
Increase	-	903,117,070,200
Payment in cash	-	(464,650,732,500)
Payment in shares	-	(438,203,480,000)
End of period/ year	<u>262,857,700</u>	<u>262,857,700</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:

	For the period ended	
	31.3.2023	31.3.2022
Net profit attributable to shareholders (VND)	36,321,350,020	119,911,855,720
Weighted average number of ordinary shares in circulation (shares)	135,836,522	87,640,744
Basic earnings per share (VND)	<u>267</u>	<u>1,368</u>

**(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 financial statements. Therefore, the diluted earnings per share shall be equal to the basic earnings per share for the three-month period ended 31 March 2023.

## 27 OFF BALANCE SHEET ITEMS

## Foreign currencies

As at 31 March 2023, included in cash are balances held in foreign currencies of US\$359,561.73 and EUR18,826.58 (as at 31 December 2022: US\$451,559 and EUR15,434 ).

## 28 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
<b>Revenue</b>		
Revenue from sales of goods	680,262,793,471	857,143,338,780
Revenue from rendering of services	4,275,347,137	4,701,478,765
	<u>684,538,140,608</u>	<u>861,844,817,545</u>
<b>Sales deduction</b>		
Trade discounts	(1,714,739,843)	(3,026,056,333)
Sales returns	(2,873,264,914)	(2,815,171,112)
Sales allowances	-	(100,000)
	<u>(4,588,004,757)</u>	<u>(5,841,327,445)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of goods	675,674,788,714	851,302,011,335
Net revenue from rendering of services	4,275,347,137	4,701,478,765
	<u>679,950,135,851</u>	<u>856,003,490,100</u>

## 29 COST OF GOODS SOLD AND SERVICES RENDERED

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold	483,623,408,504	600,943,229,146
Cost of services rendered	579,803,587	349,512,861
Provision for decline in value of inventories	5,978,139,096	3,043,234,275
Reversal of provision for dismantling cost	(1,123,256,171)	-
	<u>489,058,095,016</u>	<u>604,335,976,282</u>

## 30 FINANCIAL INCOME

	For the three-month period ended	
	31.3.2023 VND	31.3.2022 VND
Interest income from bank deposits	25,407,853,417	20,920,554,161
Interest income from deposits	9,137,309,903	9,137,309,903
Interest income from entrusted-investment	-	5,231,342,466
Realised foreign exchange gains	5,987,665,998	4,067,260,181
Interest income from lending	39,780,822	2,065,890,411
	<u>40,572,610,140</u>	<u>41,422,357,122</u>

## 31 SELLING EXPENSES

	For the three-month period ended	
	31.3.2023 VND	31.3.2022 VND
Staff costs	43,294,221,197	45,900,800,197
Transportation	12,719,641,198	12,800,428,743
Marketing and advertising	41,170,519,981	14,032,717,238
Tools and supplies	3,345,021,353	1,831,419,269
Rental	10,685,447,635	8,183,252,549
Depreciation and amortisation	4,034,159,296	3,695,355,499
Repair and maintenances	4,926,756,168	4,734,801,851
Others	15,977,205,094	15,566,104,535
	<u>136,152,971,922</u>	<u>106,744,879,881</u>

## 32 GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended	
	31.3.2023 VND	31.3.2022 VND
Staff costs	18,061,884,229	16,929,253,743
Professional service fees	536,586,992	526,158,837
Tools and supplies	787,264,707	415,441,304
Depreciation and amortisation	1,081,647,522	1,093,946,525
Provision/ (reversal of provision) for doubtful debts	780,390,719	(30,138,450)
Others	15,292,339,707	12,630,261,226
	<u>36,540,113,876</u>	<u>31,564,923,185</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:

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	47,488,576,368	147,586,220,694
Tax calculated at a rate of 20%	9,497,715,274	29,517,244,139
Effect of:		
Expenses not deductible for tax purposes	3,114,872,847	3,961,461,496
Tax losses not recognised for deferred tax asset	600,000	-
Under-provision in previous years	392,958,424	-
Tax deduction	(1,837,450,197)	(5,804,340,660)
CIT (*)	<u>11,168,696,348</u>	<u>27,674,364,975</u>
Charged to the consolidated income statement:		
CIT – current	7,825,441,213	27,430,894,338
CIT – deferred (Note 22)	3,343,255,135	243,470,637
	<u>11,168,696,348</u>	<u>27,674,364,975</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 COSTS 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:

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Raw materials	383,775,503,115	688,853,057,243
Staff costs	125,358,737,858	129,576,232,925
Depreciation and amortisation	26,630,808,884	28,264,811,619
Outside services	82,610,878,268	76,940,412,739
Transportation	13,684,697,593	13,234,171,463
Tools and supplies	20,498,362,106	19,452,012,653
Others	54,540,164,856	21,003,472,296
	<u>707,099,152,680</u>	<u>977,324,170,938</u>



**35 RELATED PARTY DISCLOSURES**

During the period, the Group had balances and/or transactions with below related parties:

<b>Related parties</b>	<b>Relationship</b>
NC Vietnam Investment Ltd.	Controlling shareholder
Whitlam Holding Pte. Ltd.	Major shareholder
Sumitomo Forestry (Singapore) Ltd.	Major shareholder
Thao Nghia Thanh One-Member Company Limited	Controlled by the Head of Supervision's family member
Trung Hieu Plywood Company Limited	Controlled by the Chairman's family member
Sumitomo Forestry Vietnam Company Limited	Controlled by the Deputy Chairman
Thang Loi Homes Joint Stock Company	Associate
Mr. Le Duc Nghia	Chairman
Ms. Vo Thi Ngoc Anh	General Director
Ms. Nguyen Thi Kim Thoa	Deputy General Director

**(a) Related party transactions**

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

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
<b><i>i) Sales of goods</i></b>		
Trung Hieu Plywood Company Limited	7,059,021,315	13,047,623,197
<b><i>ii) Purchase of goods</i></b>		
Sumitomo Forestry (Singapore) Ltd.	1,277,509,536	1,588,847,720
Thao Nghia Thanh One-Member Company Limited	2,231,209,000	1,026,015,400
	<u>3,508,718,536</u>	<u>2,614,863,120</u>
<b><i>iii) Compensation of key management</i></b>		
Gross salaries and other benefits	4,806,266,667	4,082,785,769
<b><i>iv) Dividend to shareholders</i></b>		
NC Vietnam Investment Ltd.	-	21,930,600,000
Whitlam Holding Pte	-	7,917,000,000
Sumitomo Forestry (Singapore) Ltd.	-	8,593,961,000
	<u>-</u>	<u>38,441,561,000</u>



## 36 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 three-month period ended 31.3.2023		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	574,463,236,364	105,486,899,487	679,950,135,851
Cost of goods sold and services rendered	397,656,288,401	91,401,806,615	489,058,095,016
<b>Gross profit from sales of goods and rendering of services</b>	<b>176,806,947,963</b>	<b>14,085,092,872</b>	<b>190,892,040,835</b>
Total expense incurred for purchases of fixed assets by geographic area of the assets	11,926,283,364	-	11,926,283,364
Total carrying amount of the segment assets by geographic area of the assets	413,729,683,577	-	413,729,683,577
<b>As at 31.3.2023</b>			
Segment assets	623,159,972,520	6,603,437,804	629,763,410,324
Unallocated assets	4,635,367,795,459	-	4,635,367,795,459
<b>Total assets</b>	<b>5,258,527,767,979</b>	<b>6,603,437,804</b>	<b>5,265,131,205,783</b>
Segment liabilities	159,364,025,940	59,598,338,742	218,962,364,682
Unallocated liabilities	1,087,831,591,190	-	1,087,831,591,190
<b>Total liabilities</b>	<b>1,247,195,617,130</b>	<b>59,598,338,742</b>	<b>1,306,793,955,872</b>

## 36 SEGMENT REPORTING (continued)

*Geographical segments (continued)*

	For the three-month period ended 31.3.2022		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	719,445,208,425	136,558,281,675	856,003,490,100
Cost of goods sold and services rendered	478,356,689,627	125,979,286,655	604,335,976,282
<b>Gross profit from sales of goods and rendering of services</b>	<b>241,088,518,798</b>	<b>10,578,995,020</b>	<b>251,667,513,818</b>
Total expense incurred for purchases of fixed assets by geographic area of the assets	1,290,127,418	-	1,290,127,418
Total carrying amount of the segment assets by geographic area of the assets	507,526,222,564	-	507,526,222,564
<b>As at 31.12.2022</b>			
Segment assets	642,507,978,066	11,760,226,863	654,268,204,929
Unallocated assets	4,355,415,288,550	-	4,355,415,288,550
<b>Total assets</b>	<b>5,455,446,789,001</b>	<b>11,760,226,863</b>	<b>5,467,207,015,864</b>
Segment liabilities	234,026,643,737	113,487,701,710	347,514,345,447
Unallocated liabilities	1,207,475,300,527	-	1,207,475,300,527
<b>Total liabilities</b>	<b>1,441,501,944,264</b>	<b>113,487,701,710</b>	<b>1,554,989,645,974</b>

The consolidated financial statements were approved by the Board of Management on 24 April 2023.



Tran Anh Tuan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant



Vo Thi Ngoc Anh  
General Director