

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

**SEPARATE 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 SEPARATE FINANCIAL STATEMENTS

The Board of Management of An Cuong Wood-Working Joint Stock Company (“the Company”) is responsible for preparing the separate financial statements which gives a true and fair view of the separate financial position of the Company as at 31 March 2023, and the results of its separate operations and separate cash flows for Quarter I 2023 then ended. In preparing these separate financial statements, the Board of Management is required to:

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

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

#### APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 3 to 40 which gives a true and fair view of the separate financial position of the Company as at 31 March 2023 and of the results of its separate operations and separate 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 separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) for Quarter I 2023 in order to obtain full information of the consolidated financial position and results of consolidated operations and consolidated cash flows of the Group.

On behalf of the Board of Management



Vo Thi Ngoc Anh  
General Director

Binh Duong, SR Vietnam  
24 April 2023

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 01a – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			31.3.2023 VND	31.12.2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>2,311,658,880,662</b>	<b>2,430,244,352,161</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>15,767,784,038</b>	<b>285,786,734,410</b>
111	Cash		15,767,784,038	38,786,734,410
112	Cash equivalents		-	247,000,000,000
<b>120</b>	<b>Short-term investments</b>		<b>996,000,000,000</b>	<b>866,000,000,000</b>
123	Investments held to maturity	4(a)	996,000,000,000	866,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>554,439,801,937</b>	<b>549,599,335,714</b>
131	Short-term trade accounts receivable	5	345,268,288,541	348,476,458,971
132	Short-term prepayments to suppliers	6	25,186,915,393	25,123,628,414
136	Other short-term receivables	7(a)	207,664,121,546	198,564,033,959
137	Provision for doubtful debts – short term	8	(24,267,259,099)	(22,987,743,718)
139	Shortage of assets awaiting resolution		587,735,556	422,958,088
<b>140</b>	<b>Inventories</b>	9	<b>726,145,190,216</b>	<b>698,932,385,372</b>
141	Inventories		749,111,116,240	717,210,854,026
149	Provision for decline in value of inventories		(22,965,926,024)	(18,278,468,654)
<b>150</b>	<b>Other current assets</b>		<b>19,306,104,471</b>	<b>29,925,896,665</b>
151	Short-term prepaid expenses	10(a)	14,605,286,144	27,371,387,238
152	Value added tax ("VAT") to be reclaimed	15(a)	3,808,324,480	1,333,331,682
153	Tax and other receivables from the State	15(a)	892,493,847	1,221,177,745
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>2,079,856,405,521</b>	<b>2,109,540,952,400</b>
<b>210</b>	<b>Long-term receivables</b>		<b>377,127,958,527</b>	<b>364,461,972,146</b>
216	Other long-term receivables	7(b)	377,127,958,527	364,461,972,146
<b>220</b>	<b>Fixed assets</b>		<b>163,473,520,332</b>	<b>174,151,299,318</b>
221	Tangible fixed assets	11(a)	151,043,042,922	160,889,579,088
222	Historical cost		473,017,176,227	475,131,484,000
223	Accumulated depreciation		(321,974,133,305)	(314,241,904,912)
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>9,253,488,551</b>	<b>2,006,447,041</b>
242	Construction in progress	12	9,253,488,551	2,006,447,041
<b>250</b>	<b>Long-term investments</b>		<b>1,439,631,200,000</b>	<b>1,475,431,200,000</b>
251	Investments in subsidiaries	4(b)	926,800,000,000	916,600,000,000
252	Investments in associates	4(b)	393,631,200,000	393,631,200,000
253	Investments in other entity	4(b)	119,200,000,000	119,200,000,000
255	Investments held to maturity	4(a)	-	46,000,000,000
<b>260</b>	<b>Other long-term assets</b>		<b>90,370,238,111</b>	<b>93,490,033,895</b>
261	Long-term prepaid expenses	10(b)	84,419,789,073	85,840,952,383
262	Deferred income tax assets	22	5,950,449,038	7,649,081,512
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,391,515,286,183</b>	<b>4,539,785,304,561</b>

The notes on pages 7 to 40 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			31.3.2023 VND	31.12.2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>933,288,356,642</b>	<b>1,095,773,666,553</b>
<b>310</b>	<b>Current liabilities</b>		<b>926,502,037,475</b>	<b>1,088,987,347,386</b>
311	Short-term trade accounts payable	13	268,212,890,206	319,977,099,228
312	Short-term advances from customers	14	125,663,823,013	103,216,991,711
313	Tax and other payables to the State	15(b)	6,347,400,543	83,447,540,876
314	Payables to employees	16	11,953,680,233	16,304,569,145
315	Short-term accrued expenses	17	16,849,489,747	20,127,143,508
318	Short-term unearned revenue		375,000,000	500,000,000
319	Other short-term payables	18	1,652,653,367	3,007,743,242
320	Short-term borrowings	20	475,889,817,415	520,147,652,725
322	Bonus and welfare funds	19	19,557,282,951	22,258,606,951
<b>330</b>	<b>Non-current liabilities</b>		<b>6,786,319,167</b>	<b>6,786,319,167</b>
342	Provision for long-term liabilities	21	6,786,319,167	6,786,319,167
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>3,458,226,929,541</b>	<b>3,444,011,638,008</b>
<b>410</b>	<b>Capital and reserves</b>		<b>3,458,226,929,541</b>	<b>3,444,011,638,008</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	-	-
421	Undistributed earnings	24	681,120,350,985	666,905,059,452
421a	- Undistributed post-tax profits of previous years		666,905,059,452	75,983,470,486
421b	- Post-tax profits of current period/year		14,215,291,533	590,921,588,966
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>4,391,515,286,183</b>	<b>4,539,785,304,561</b>



Nguyen Thi Hong Lan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant



Võ Thị Ngọc Anh  
General Director  
24 April 2023

The notes on pages 7 to 40 are an integral part of these separate financial statements.

## SEPARATE 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	466,992,155,957	545,350,916,374
02	Less deductions	(1,072,214,334)	(1,746,223,548)
10	Net revenue from sales of goods and rendering of services	27 465,919,941,623	543,604,692,826
11	Cost of goods sold and services rendered	28 (362,046,135,329)	(415,989,054,756)
20	Gross profit from sales of goods and rendering of services	103,873,806,294	127,615,638,070
21	Financial income	29 33,342,288,228	208,236,914,600
22	Financial expenses	(9,611,834,642)	(4,719,346,678)
23	- Including: Interest expense	(7,734,194,158)	(3,619,173,331)
25	Selling expenses	30 (84,785,980,223)	(67,057,275,411)
26	General and administration expenses	31 (23,103,633,463)	(16,035,980,577)
30	Net operating profit	19,714,646,194	248,039,950,004
31	Other income	1,493,602,761	1,578,462,047
32	Other expenses	(14,605,392)	21,514,665
40	Net other income	1,478,997,369	1,599,976,712
50	Net accounting profit before tax	21,193,643,563	249,639,926,716
51	Corporate income tax ("CIT") - current	32 (5,279,719,556)	(17,748,113,822)
52	Corporate income tax - deferred	32 (1,698,632,474)	630,274,019
60	Net profit after tax	14,215,291,533	232,522,086,913



Nguyen Thi Hong Lan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant



Vo Thi Ngoc Anh  
General Director  
24 April 2023

The notes on pages 7 to 40 are an integral part of these separate financial statement.

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

Code	Note	For the year ended	
		31.3.2023 VND	31.3.2022 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>21,193,643,563</b>	<b>249,639,926,716</b>
		Adjustments for:	
02	33	11,148,013,486	12,735,375,783
03		5,966,972,751	3,151,370,093
04		410,948,406	478,282,216
05		(29,379,414,414)	(205,788,786,532)
06		7,734,194,158	3,619,173,331
08		<b>17,074,357,950</b>	<b>63,835,341,607</b>
09		(3,188,558,744)	24,078,538,970
10		(31,900,262,214)	(26,806,795,221)
11		(48,200,369,854)	(58,093,729,731)
12		14,187,264,404	4,335,646,258
14		(7,734,194,158)	(3,619,173,331)
15		(70,859,761,301)	(13,300,304,351)
17		(4,401,324,000)	(13,215,000)
20		<b>(135,022,847,917)</b>	<b>(9,583,690,799)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(7,717,276,010)	(240,951,294)
22		340,909,091	-
23		(104,000,000,000)	(525,200,000,000)
24		20,000,000,000	397,100,000,000
25		(10,200,000,000)	(126,631,200,000)
27		11,325,546,102	180,979,149,101
30		<b>(90,250,820,817)</b>	<b>(73,993,002,193)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33		329,031,564,603	700,637,696,230
34		(373,760,376,113)	(608,854,046,568)
36		-	(21,889,772,000)
40		<b>(44,728,811,510)</b>	<b>69,893,877,662</b>
50		<b>(270,002,480,244)</b>	<b>(13,682,815,330)</b>
60	3	<b>285,786,734,410</b>	<b>47,401,336,077</b>
61		(16,470,128)	(24,705,658)
70	3	<b>15,767,784,038</b>	<b>33,693,815,089</b>

\_\_\_\_\_  
 Nguyen Thi Hong Lan  
 Preparer

\_\_\_\_\_  
 Thieu Thi Ngoc Diem  
 Chief Accountant

\_\_\_\_\_  
 Vo Thi Ngoc Anh  
 General Director  
 24 April 2023



The notes on pages 7 to 40 are an integral part of these separate financial statements.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
FOR QUARTER I 2023**

**1 GENERAL INFORMATION**

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.

The Company's shares have been officially listed on Ho Chi Minh City Stock Exchange (“HoSE”) with the Ticker: ACG.

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 is within 12 months.

As at 31 March 2023, the Company had three direct subsidiaries, one associate and one indirect subsidiary as disclosed in Note 4(b) (as at 31 December 2022: the Company 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>							
Malloca Vietnam Company Limited	Ho Chi Minh City	Trade Malloca brand kitchen appliances.	100	100	100	100	
An Cuong Wood-Working Manufacturing Company Limited	Binh Duong Province	Manufacture and trade wooden products.	100	100	100	100	
An Khang MDF Co.,Ltd	Tay Ninh	Manufacture and trade plywood products.	51	51	-	-	
<b>Indirect subsidiary</b>							
AConcept Vietnam Limited Company (*)	Ho Chi Minh City	Wholesale and retail of interiors and interior decoration.	100	100	100	100	
<b>II- Associate</b>							
Thang Loi Homes Joint Stock Company	Long An Province	Trade real estate and residential projects.	30	30	-	-	

**1 GENERAL INFORMATION (continued)**

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

As at 31 March 2023, the Company had 1,757 employees (as at 31 December 2022: 1,753 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 separate financial statements**

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

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

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

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (together, "the Group") for Quarter I 2023 in order to obtain full information of the consolidated financial position and results of consolidated operations and consolidated cash flows of the Group.

**2.2 Fiscal year**

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

**2.3 Currency**

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

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

**2.3 Currency (continued)**

In addition, the Company also uses this currency to raise financial resources (such as via issuance of shares or bonds) and/or regularly collects 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 separate income statement.

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

**2.5 Cash and cash equivalents**

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

**2.6 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services, or non-trade receivables from others 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. Bad debts are written off when identified as uncollectible.

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

**2.7 Inventories**

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

The Company applies the perpetual system for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this 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)**

**2.8 Investments**

**(a) Investments held-to-maturity**

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

Investments held-to-maturity include term deposits and the bond 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 investment to determine the amount of provision to recognise at the year end.

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

**(b) Investments in subsidiaries**

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

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

**(c) Investments in associate**

Associate is an investment that the Company has significant influence but not control over and the Company would generally have from 20% to less than 50% of the voting rights of the investee.

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

**(d) Investments in other entities**

Investment in other entities are investments in equity instruments of other entities 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.

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

Provision for investments in subsidiaries, associate and other entities is made when there is a diminution in value of the investments at the period end. Provision for investments in subsidiaries, associate and other entities is calculated based on the loss of investees.

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

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.

**2.9 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

Fixed assets are depreciated/amortised using the straight-line basic 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% - 25%
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)****2.9 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 separate income statement.

*Construction in progress*

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

**2.10 Leased assets**

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

**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over estimated useful lives.

In addition, prepayments for land rental contracts which are effective after the effective date of the land law 2003 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.

**2.12 Payables**

Classifications of payables are based on their nature as follows:

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.13 Borrowings**

Short-term borrowings include borrowings from banks.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the 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 Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Company's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the separate income statement when incurred.

**2.14 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the 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.

**2.15 Provisions**

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

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

**2.16 Provision for severance allowances**

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

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

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

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

**2.17 Owners' capital**

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

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

*Treasury shares* 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 owners' equity.

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

**2.18 Appropriation of net profit**

The Company's dividends are recognised as a liability in the separate 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 Company'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 separate 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 is appropriated from profit after CIT of the Company and approved by Shareholders in the General Meeting. This fund is use for the Company's expansion of its operation or in-depth investments.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Revenue recognition****(a) Revenue from sales of goods**

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

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

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

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation. If the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods.

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

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

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

**(c) Interest income**

Interest income is recognised on an earned basis.

**(d) Dividend income**

Income from dividend or distributed profits is recognised when the Company has established the receiving right from investees.

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

**2.20 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 separate balance sheet date but before the issuance of the separate financial statements are recorded as deduction of revenue of the period.

**2.21 Cost of goods sold and services rendered**

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

**2.22 Financial expenses**

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

**2.23 Selling expenses**

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

**2.24 General and administration expenses**

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

**2.25 Current and deferred income tax**

Income 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 separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 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 separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.26 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including members of the Company's 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 Company considers the substance of the relationship not merely the legal form.

**2.27 Segment reporting**

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

**2.28 Accounting estimates**

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

The areas involving significant estimates and assumptions are as follows:

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

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

**3 CASH AND CASH EQUIVALENTS**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Cash on hand	577,691,135	414,366,556
Cash at bank	15,190,092,903	38,372,367,854
Cash equivalents (*)	-	247,000,000,000
	<u>15,767,784,038</u>	<u>285,786,734,410</u>

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

**4 INVESTMENTS****(a) Investments held-to-maturity**

	<u>As at 31.3.2023</u>		<u>As at 31.12.2022</u>	
	Cost VND	Book value VND	Cost VND	Book value VND
<b>Short-term</b>				
Term deposits (i)	996,000,000,000	996,000,000,000	866,000,000,000	866,000,000,000
<b>Long-term</b>				
Term deposits	-	-	46,000,000,000	46,000,000,000

(i) As at 31 March 2023, short- term investments held-to-maturity comprise of term deposits at commercial banks with remaining period less than 1 year and earn interest at the rate of 5.5% - 12% per annum (as at 31 December 2022: 5.5% - 12% per annum). In addition, the Company has pledged VND162 billions of these investments with banks as collateral assets for the Company's borrowings (Note 20).

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**4 INVESTMENTS (continued)**

**(b) Investments in subsidiaries, associate and other entities**

	As at 31.3.2023				As at 31.12.2022			
	Ownership and voting rights %	Cost VND	Fair value	Provision VND	Ownership and voting rights %	Cost VND	Fair value	Provision VND
<b>i. Investments in subsidiaries</b>								
Malloca Vietnam Company Limited	100	120,000,000,000	(*)	-	100	120,000,000,000	(*)	-
An Cuong Wood-Working Manufacturing Company Limited	100	796,600,000,000	(*)	-	100	796,600,000,000	(*)	-
An Khang MDF Company Limited	51	10,200,000,000	(*)	-	51	-	(*)	-
	100	926,800,000,000			100	916,600,000,000		
<b>ii. Investments in associate</b>								
Thang Loi Homes Joint Stock Company	30	393,631,200,000	(*)	-	30	393,631,200,000	(*)	-
<b>iii. Other long-term investments</b>								
Thang Loi Real Estate Joint Stock Company	12.97	119,200,000,000	(*)	-	12.97	119,200,000,000	(*)	-

(\*) As at 31 March 2023 and 31 December 2022, the Company had not determined the fair value of these investments for disclosure in the separate financial statements since their shares are not listed, and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	39,109,141,639	45,704,544,547
Others	271,749,408,832	263,715,344,861
Related parties (Note 34(b))	34,409,738,070	39,056,569,563
	<u>345,268,288,541</u>	<u>348,476,458,971</u>

As at 31 March 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due amounting to VND35,956,454,689 and VND33,351,118,362 respectively as presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
Dat Moi Trading Service Joint Stock Company	-	2,653,701,897
Cata Electrodomesticos SL	1,826,580,964	2,564,450,694
Others	20,546,353,929	16,103,429,823
Related parties (Note 34(b))	2,813,980,500	3,802,046,000
	<u>25,186,915,393</u>	<u>25,123,628,414</u>

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

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Entrusted-investment (*)	156,017,700,000	156,017,700,000
Interest income from entrusted-investment	10,867,216,930	18,720,311,067
Interest income from term deposits	34,495,273,964	18,066,530,507
Deposits	3,398,987,656	4,149,048,176
Advances to employees	2,463,239,639	1,387,873,529
Others	421,703,357	222,570,680
	<u>207,664,121,546</u>	<u>198,564,033,959</u>

## 7 OTHER RECEIVABLES (continued)

## (a) Short-term (continued)

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

## (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	14,147,244,080	10,618,567,600
	<u>377,127,958,527</u>	<u>364,461,972,146</u>

(\*) According to Resolution No. 01-2021/NQ-GAC dated 11 January 2021 of the Board of Directors, the Company signed the purchase option agreements with Novareal Joint Stock Company for real estates of the Novaworld Phan Thiet project. Accordingly, the Company deposited VND285,052,830,311 in 2021. In addition, pursuant to the above agreements, until 15 March 2023, the Company can decide whether to exercise or not the real estate purchase option. At the date of these financial statements, the Company has confirmed to not exercise the real estate purchase option. According to the signed agreements, the Company will receive the entire deposits, together with the interest income calculated at the interest rate of 13% per annum from the date of the Company placed the deposits until the liquidation date of 15 March 2025. Accordingly, the Company recognised the above interest income in the separate financial statements for the year ended 31 December 2022 and 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	3,338,942,601	-	3,338,942,601	Over 3 years Over 6 months, under 1 year
Others	9,082,213,990	2,289,450,442	6,792,763,548	
	<u>35,956,454,689</u>	<u>11,689,195,591</u>	<u>24,267,259,099</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	3,338,942,601	-	3,338,942,601	Over 3 years
Others	5,976,877,663	963,629,496	5,013,248,167	Over 1 year
	<u>33,351,118,362</u>	<u>10,363,374,645</u>	<u>22,987,743,718</u>	



## 9 INVENTORIES

	31.3.2023		31.12.2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	16,819,170,823	-	27,858,140,925	-
Raw materials	414,679,288,665	(11,655,799,263)	402,482,294,220	(10,786,154,521)
Work in progress	172,451,935,981	(1,544,649,240)	124,037,465,903	(2,431,079,708)
Finished goods	117,118,473,836	(7,711,592,354)	125,995,998,180	(4,212,662,775)
Merchandise	28,042,246,935	(2,053,885,167)	29,965,698,784	(848,571,650)
Finished goods in transit	-	-	6,871,256,014	-
	<u>749,111,116,240</u>	<u>(22,965,926,024)</u>	<u>717,210,854,026</u>	<u>(18,278,468,654)</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	18,278,468,654	20,944,199,080
Provision/ (Reversal of provision) (Notes 28)	<u>4,687,457,370</u>	<u>(2,665,730,426)</u>
End of period/ year	<u><u>22,965,926,024</u></u>	<u><u>18,278,468,654</u></u>

## 10 PREPAID EXPENSES

## (a) Short-term

	31.3.2023 VND	31.12.2022 VND
Advertising	3,609,481,472	10,156,785,302
Tools and supplies	4,985,979,588	5,723,400,406
Insurance	514,826,193	739,385,873
Rental	1,244,357,075	610,340,000
Others	4,250,641,816	10,141,475,657
	<u>14,605,286,144</u>	<u>27,371,387,238</u>

## 10 PREPAID EXPENSES (continued)

## (b) Long-term

	31.3.2023 VND	31.12.2022 VND
Land rental (*)	63,964,722,693	64,419,790,083
Office and factory renovation	10,718,978,248	12,349,834,490
Tools and supplies	6,714,961,842	5,786,869,689
Rental	1,990,406,280	2,001,933,729
Others	1,030,720,010	1,282,524,392
	<u>84,419,789,073</u>	<u>85,840,952,383</u>

(\*) As at 31 March 2023, land use rights of some land plots located in Binh Duong Province with the carrying amount of VND61,359,723,260 (as at 31 December 2022: VND61,797,500,831) have been pledged for short-term borrowings with banks (Note 20).

Movements in long-term prepaid expenses 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	85,840,952,383	83,193,368,488
Increase	2,241,076,856	18,207,227,852
Allocation during the period/ year	(3,662,240,166)	(15,559,643,957)
End of period/ year	<u>84,419,789,073</u>	<u>85,840,952,383</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
As at 1 January 2023	156,425,241,636	218,759,966,915	75,476,867,747	4,064,844,180	20,404,563,522	475,131,484,000
New purchases	-	470,234,500	-	-	-	470,234,500
Disposals	-	-	(2,584,542,273)	-	-	(2,584,542,273)
As at 31 March 2023	156,425,241,636	219,230,201,415	72,892,325,474	4,064,844,180	20,404,563,522	473,017,176,227
<b>Accumulated depreciation</b>						
As at 1 January 2023	90,404,942,731	150,667,148,224	51,506,585,577	3,548,020,114	18,115,208,266	314,241,904,912
Charge for the period	3,167,312,616	5,123,040,979	1,717,517,935	101,094,811	207,804,325	10,316,770,666
Disposals	-	-	(2,584,542,273)	-	-	(2,584,542,273)
As at 31 March 2023	93,572,255,347	155,790,189,203	50,639,561,239	3,649,114,925	18,323,012,591	321,974,133,305
<b>Net book value</b>						
As at 1 January 2023	66,020,298,905	68,092,818,691	23,970,282,170	516,824,066	2,289,355,256	160,889,579,088
As at 31 March 2023	62,852,986,289	63,440,012,212	22,252,764,235	415,729,255	2,081,550,931	151,043,042,922

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 March 2023 was VND80,246,331,704 (as at 31 December 2022: VND77,388,426,143).

As at 31 March 2023, tangible fixed assets with the carrying value of VND29,278,879,948 (as at 31 December 2022: VND30,164,505,782) were pledged with banks as security for short-term borrowings granted to the Company (Note 20).

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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 period	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 Company (Note 20).

12 CONSTRUCTIONS IN PROGRESS

	31.3.2023 VND	31.12.2022 VND
Management software	6,468,203,806	934,020,000
Machinery and equipment	-	732,079,544
Office and factory renovation	2,781,721,747	289,317,394
Others	3,562,998	51,030,103
	<u>9,253,488,551</u>	<u>2,006,447,041</u>

**12 CONSTRUCTIONS IN PROGRESS (continued)**

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

	<b>For the period ended 31.3.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/ year	2,006,447,041	677,894,956
Increase during the period/ year	7,247,041,510	1,328,552,085
End of period/ year	<u>9,253,488,551</u>	<u>2,006,447,041</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>31.3.2023 VND</b>	<b>31.12.2022 VND</b>
Third parties		
Vina Eco Board Limited	26,773,362,502	17,471,924,992
Others	102,345,810,104	169,825,764,725
Related parties (Note 34(b))	139,093,717,600	132,679,409,511
	<u>268,212,890,206</u>	<u>319,977,099,228</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>31.3.2023 VND</b>	<b>31.12.2022 VND</b>
Conglom Inc.	11,477,000,000	11,477,000,000
Others	114,186,823,013	91,739,991,711
	<u>125,663,823,013</u>	<u>103,216,991,711</u>

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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 year/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 VND	As at 31.3.2023 VND
<b>(a) Receivables</b>					
Value added tax ("VAT") input	1,333,331,682	40,552,277,168	-	(38,077,284,370)	3,808,324,480
Import tax to be reclaimed	1,154,368,726	161,216,328	(477,274,138)	-	838,310,916
Others	66,809,019	280,311,257	(292,937,345)	-	54,182,931
	<u>2,554,509,427</u>	<u>40,993,804,753</u>	<u>(770,211,483)</u>	<u>(38,077,284,370)</u>	<u>4,700,818,327</u>
<b>(b) Payables</b>					
VAT output	6,077,191,730	40,116,549,828	(7,042,322,968)	(38,077,284,370)	1,074,134,220
CIT	70,304,116,183	5,279,719,556	(70,859,761,301)	-	4,724,074,438
Personal income tax	7,066,232,963	2,040,305,830	(8,557,346,908)	-	549,191,885
Import tax	-	1,843,114,948	(1,843,114,948)	-	-
	<u>83,447,540,876</u>	<u>49,279,690,162</u>	<u>(88,302,546,125)</u>	<u>(38,077,284,370)</u>	<u>6,347,400,543</u>
					<u>As at 31.3.2023 VND</u>

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**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>
Bonus to employees	7,689,177,370	8,786,389,043
Based-investment-performance fees to VinaCapital	6,000,000,000	6,000,000,000
Others	3,160,312,377	5,340,754,465
	<u>16,849,489,747</u>	<u>20,127,143,508</u>

**18 OTHER SHORT-TERM PAYABLES**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Appropriation to the charity fund	430,000,000	2,130,000,000
Compulsory insurances and trade union fee	548,112,550	101,303,850
Others	674,540,817	776,439,392
	<u>1,652,653,367</u>	<u>3,007,743,242</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	22,258,606,951	354,323,432
Increase	-	32,087,642,807
Decrease	(2,701,324,000)	(10,183,359,288)
End of period/ year	<u>19,557,282,951</u>	<u>22,258,606,951</u>

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20 SHORT-TERM BORROWINGS

	As at 1.1.2023 VND	Increase VND	Decrease VND	Revaluation VND	As at 31.3.2023 VND
Bank loans (*)	520,147,652,725	329,031,564,603	(373,760,376,113)	470,976,200	475,889,817,415

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

	Currency	As at 31.3.2023 VND	Term Months	Expiry date	Interest (%/annum)	Collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	322,701,067,010	6	24.04.2023 - 26.09.2023	7%	Bank term- deposits with the value of VND162 billion.
	USD	2,949,849,629	6	21.04.2023	3.6%	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	45,252,635,996	3-6	01.05.2023 - 06.09.2023	7.2%-8%	Debt collection rights, land use rights and assets belonged to land plot located in Binh Duong; machinery and equipment.
	USD	53,828,303,762	3	17.04.2023 - 30.06.2023	5.2%	
Vietnam Maritime Commercial Joint Stock Bank	VND	51,157,961,018	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>475,889,817,415</u>				



**21 PROVISION FOR LONG-TERM LIABILITIES**

	<b>31.3.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Provision for severance allowances	2,786,319,167	2,786,319,167
Provision for dismantling costs	4,000,000,000	4,000,000,000
	<u>6,786,319,167</u>	<u>6,786,319,167</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	1,357,263,833	1,357,263,833
Deferred tax assets are recovered within 12 months	4,593,185,205	6,291,817,679
	<u>5,950,449,038</u>	<u>7,649,081,512</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	7,649,081,512	5,095,520,566
Separate income statement credit	(1,698,632,474)	2,553,560,946
End of period/ year	<u>5,950,449,038</u>	<u>7,649,081,512</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>5,950,449,038</u>	<u>7,649,081,512</u>

The Company uses tax rate of 20% for determining deferred tax assets. Deferred tax assets mainly arise from deductible temporary differences relating to accrued expenses, and provisions.

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

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**23 OWNERS' CAPITAL**

**(a) Number of ordinary 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	135,836,522	135,836,522

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

	<b>31.3.2023</b>		<b>31.12.2022</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
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>100.00</u>	<u>135,836,522</u>	<u>100.00</u>

**(c) Movements of share capital**

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

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	Total VND
As at 1 January 2022	876,503,440,000	1,419,304,688,703	(653,230,147)	21,397,458,939	994,790,724,554	3,311,343,082,049
Capital increased during the year	43,754,300,000	(6,100,000)	-	-	-	43,748,200,000
Net profit for the year	-	-	-	-	590,921,588,966	590,921,588,966
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	-	-	-	-	(10,690,183,868)	(10,690,183,868)
Transfer to bonus and welfare fund	-	-	-	(21,397,458,939)	-	(21,397,458,939)
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)	-	666,905,059,452	3,444,011,638,008
Net profit for the period	-	-	-	-	14,215,291,533	14,215,291,533
As at 31 March 2023	1,358,461,220,000	1,419,298,588,703	(653,230,147)	-	681,120,350,985	3,458,226,929,541

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**25 DIVIDENDS**

	<b>For the period ended 31.3.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/ year	262,893,700	-
Increase	-	903,117,070,200
Dividend paid in cash	-	(464,650,732,500)
Dividend paid in shares	-	(438,203,480,000)
End of period/ year	<u>262,893,700</u>	<u>262,857,700</u>

**26 OFF BALANCE SHEET ITEMS**

**Foreign currencies**

As at 31 March 2023, included in cash were balances held in foreign currencies of US\$352,961.65 and EUR18,337.94 (as at 31 December 2022: US\$415,893.42 and EUR14,945.32).

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

	<u>For the three-month period ended</u>	
	<u>31.3.2023</u> VND	<u>31.03.2022</u> VND
<b>Revenue</b>		
Revenue from sales of goods	455,848,399,785	527,781,660,500
Revenue from rendering of services	11,143,756,172	17,569,255,874
	<u>466,992,155,957</u>	<u>545,350,916,374</u>
<b>Sales deductions</b>		
Trade discounts	(552,597,126)	(853,837,240)
Sales returns	(519,617,208)	(892,286,308)
Sales allowances	-	(100,000)
	<u>(1,072,214,334)</u>	<u>(1,746,223,548)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of goods	454,776,185,451	526,035,436,952
Net revenue from rendering of services	11,143,756,172	17,569,255,874
	<u>465,919,941,623</u>	<u>543,604,692,826</u>

## 28 COST OF GOODS SOLD AND SERVICES RENDERED

	<u>For the three-month period ended</u>	
	<u>31.3.2023</u> VND	<u>31.3.2022</u> VND
Cost of goods sold	350,414,108,383	400,053,620,264
Cost of services rendered	6,944,569,576	12,784,064,399
Provision for decline in value of inventories	4,687,457,370	3,151,370,093
	<u>362,046,135,329</u>	<u>415,989,054,756</u>

**29 FINANCIAL INCOME**

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Interest income from bank deposits	19,901,195,420	15,354,243,752
Realised foreign exchange gains	4,303,782,905	2,448,128,068
Interest income from deposits	9,137,309,903	9,137,309,903
Interest income from entrusted-investment	-	5,231,342,466
Interest income from lending	-	2,065,890,411
Dividend income	-	174,000,000,000
	<u>33,342,288,228</u>	<u>208,236,914,600</u>

**30 SELLING EXPENSES**

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Staff costs	24,529,402,354	26,651,893,842
Transportation	9,043,347,485	9,633,675,367
Marketing and advertising	24,286,877,959	8,191,938,540
Tools and supplies	2,022,090,556	1,130,357,737
Rental	6,276,506,593	5,177,819,461
Depreciation and amortisation	2,120,709,323	2,314,336,502
Repair and maintenances	3,946,224,783	3,940,455,841
Others	12,560,821,170	10,016,798,121
	<u>84,785,980,223</u>	<u>67,057,275,411</u>

**31 GENERAL AND ADMINISTRATION EXPENSES**

	<b>For the three-month period ended</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>VND</b>	<b>VND</b>
Staff costs	10,093,035,022	8,398,219,955
Professional service fees	360,940,000	303,217,250
Tools and supplies	463,112,665	264,865,674
Depreciation and amortisation	505,275,441	568,188,870
Provision for doubtful debts	1,285,216,371	-
Others	10,396,053,964	6,501,488,828
	<u>23,103,633,463</u>	<u>16,035,980,577</u>

**32 CORPORATE INCOME TAX (“CIT”)**

The CIT on the Company'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	21,193,643,563	249,639,926,716
Tax calculated at a rate of 20%	4,238,728,713	49,927,985,343
Effect of:		
Expenses not deductible for tax purposes	2,262,877,280	1,989,854,460
Income not subject to tax	-	(34,800,000,000)
Under-provision in previous years	476,746,037	-
CIT (*)	<u>6,978,352,030</u>	<u>17,117,839,803</u>
Charged/(credited) to separate income statement:		
CIT – current	5,279,719,556	17,748,113,822
CIT – deferred	1,698,632,474	(630,274,019)
	<u>6,978,352,030</u>	<u>17,117,839,803</u>

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

**33 COSTS OF OPERATION BY FACTOR**

Costs of operation by factor represents all costs incurred during the period from the Company'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	233,152,174,895	334,302,151,207
Staff costs	83,619,413,399	83,364,912,018
Outside services	51,338,027,476	41,056,843,592
Transportation	9,801,370,675	9,909,693,757
Tools and supplies	12,896,876,981	10,670,028,982
Depreciation and amortisation	11,148,013,486	12,576,569,217
Others	34,551,717,278	12,962,339,067
	<u>436,507,594,190</u>	<u>504,842,537,840</u>

## 34 RELATED PARTY DISCLOSURES

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

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

## (a) Related party transactions

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

	For the three-month period ended	
	31.3.2023 VND	31.3.2022 VND
<b>(i) Sales of goods and rendering of services</b>		
Trung Hieu Plywood Company Limited	6,466,055,075	10,787,512,671
Malloca Vietnam Company Limited	4,465,763,718	6,640,903,350
AConcept Vietnam Company Limited	506,882,512	2,548,540,750
An Cuong Wood-Working Manufacturing Company Limited	31,271,202,055	50,829,153,857
	<u>42,709,903,360</u>	<u>70,806,110,628</u>
<b>(ii) Purchases of goods and services</b>		
An Cuong Wood-Working Manufacturing Company Limited	59,283,066,187	66,638,401,043
Malloca Vietnam Company Limited	3,029,743,000	2,126,461,000
Thao Nghia Thanh One-Member Company Limited	2,231,209,000	917,124,400
Sumitomo Forestry (Singapore) Ltd.	1,277,509,536	1,588,847,720
AConcept Vietnam Company Limited	1,722,571,182	163,884,716
	<u>67,544,098,905</u>	<u>68,928,746,759</u>
<b>(iii) Compensation of key management</b>		
Gross salaries and other benefits	<u>3,777,266,667</u>	<u>4,500,630,769</u>



## 34 RELATED PARTY DISCLOSURES ( continued)

## (a) Related party transactions (continued)

	For the three-month period ended	
	31.3.2023 VND	31.3.2022 VND
<b>(iv) Dividend paid during the period</b>		
NC Vietnam Investment Ltd.	-	21,930,600,000
Sumitomo Forestry (Singapore) Ltd.	-	8,539,961,000
Whitlam Holding Pte. Ltd	-	7,917,000,000
	<hr/>	<hr/>
	-	38,387,561,000
	<hr/> <hr/>	<hr/> <hr/>
<b>v) Dividend received from (Note 29)</b>		
Malloca Vietnam Company Limited	-	7,000,000,000
An Cuong Wood-Working Manufacturing Company Limited	-	167,000,000,000
	<hr/>	<hr/>
	-	174,000,000,000
	<hr/> <hr/>	<hr/> <hr/>
<b>(vi) Investment activities</b>		
Investment in Thang Loi Homes Joint Stock Company	-	393,631,200,000
	<hr/> <hr/>	<hr/> <hr/>

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34 RELATED PARTY DISCLOSURES (continued)

(b) Period- end balances with related parties

	31.3.2023 VND	31.12.2022 VND
<b>Short-term trade accounts receivable (Note 5)</b>		
An Cuong Wood-Working Manufacturing Company Limited	20,203,800,863	22,061,724,847
Trung Hieu Plywood Company Limited	7,345,651,384	8,826,856,174
Malloca Vietnam Company Limited	6,729,911,623	7,543,309,030
AConcept Vietnam Company Limited	130,374,200	624,679,512
	<u>34,409,738,070</u>	<u>39,056,569,563</u>
<b>Short-term prepayments to suppliers (Note 6)</b>		
Thao Nghia Thanh One-Member Company Limited	<u>2,813,980,500</u>	<u>3,802,046,000</u>
<b>Short-term trade accounts payable (Note 13)</b>		
An Cuong Wood-Working Manufacturing Company Limited	130,896,509,584	126,479,738,673
Malloca Vietnam Company Limited	2,579,990,100	2,653,424,000
AConcept Vietnam Company Limited	4,598,955,324	2,726,335,424
Sumitomo Forestry Vietnam Company Limited	-	516,978,154
Thao Nghia Thanh One-Member Company Limited	-	302,933,260
Sumitomo Forestry (Singapore) Ltd.	1,018,262,592	-
	<u>139,093,717,600</u>	<u>132,679,409,511</u>

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

  
\_\_\_\_\_  
Nguyen Thi Hong Lan  
Preparer

  
\_\_\_\_\_  
Thieu Thi Ngoc Diem  
Chief Accountant

  
\_\_\_\_\_  
Vo Thi Ngoc Anh  
General Director

  
M.S.D.N. 3700748131 - C.T. CP  
CÔNG TY  
CỔ PHẦN  
GỖ  
AN CUÔNG  
TR. TÂN UYÊN - T. BÌNH DƯƠNG