

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



AN CUONG WOOD-WORKING JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Board of Management	2
Independent Auditor's report	3
Separate balance sheet (Form B 01 – DN)	5
Separate income statement (Form B 02 – DN)	8
Separate cash flow statement (Form B 03 – DN)	9
Notes to the separate financial statements (Form B 09 – DN)	10

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 3700748131 dated 20 September 2006.

The initial Business Registration Certificate No. 4602002303 dated 20 September 2006 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province. The 33rd latest Enterprise Registration Certificate No. 3700748131 dated 22 February 2024.

Board of Directors

Mr. Le Duc Nghia	Chairman
Mr. Masao Kamibayashiyama	Vice Chairman
Mr. Nguyen Minh Tuan	Member
Mr. Le Thanh Phong	Member
Ms. Nguyen Thi Dieu Phuong	Member
Mr. Phan Quoc Cong	Independent member
Mr. Nguyen Thanh Quyen	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 (until 25 October 2023)
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. Nguyen Thi Thuy Trang	Member (from 26 April 2023)
Ms. Tran Thi Kim Anh	Member (until 25 April 2023)
Ms. Mai Thi Phuong Thao	Member

Legal representative

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

Registered office

Land lot No. 681, Map No. 05, DT 747B Street,
Phuoc Hai Town, Thai Hoa Ward, Tan Uyen City,
Binh Duong Province, Viet Nam

Auditor

PwC (Vietnam) Limited

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

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

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

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

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate 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 error.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 5 to 51 which gives a true and fair view of the separate financial position of the Company as at 31 December 2023 and of the results of its separate operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Management



Le Duc Nghia
Chairman of Board of Directors

Binh Duong Province, SR Vietnam
28 March 2024



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

We have audited the accompanying separate financial statements of An Cuong Wood-Working Joint Stock Company ("the Company") which were prepared on 31 December 2023, and approved by the Board of Management of the Company on 28 March 2024. The separate financial statements comprise the separate balance sheet as at 31 December 2023, the separate income statement, the separate cash flow statement for the year then ended, and separate explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 51.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2023, its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Nguyen Xuan Cuong
Audit Practising Licence No.
4349-2024-006-1

Report reference number: HCM15050
Ho Chi Minh City, 28 March 2024

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
100	CURRENT ASSETS		2,752,021,455,541	2,430,244,352,161
110	Cash and cash equivalents	3	46,348,000,184	285,786,734,410
111	Cash		46,348,000,184	38,786,734,410
112	Cash equivalents		-	247,000,000,000
120	Short-term investment		1,469,000,000,000	866,000,000,000
123	Investments held to maturity	4(a)	1,469,000,000,000	866,000,000,000
130	Short-term receivables		698,496,776,769	549,599,335,714
131	Short-term trade accounts receivable	5	340,592,936,743	348,476,458,971
132	Short-term prepayments to suppliers	6	9,045,626,640	25,123,628,414
135	Short-term lending	7(a)	114,021,132,127	-
136	Other short-term receivables	8(a)	262,896,722,295	198,564,033,959
137	Provision for doubtful debts			
	– short-term	9	(28,305,607,893)	(22,987,743,718)
139	Shortage of assets awaiting resolution		245,966,857	422,958,088
140	Inventories	10	527,900,304,770	698,932,385,372
141	Inventories		553,096,470,114	717,210,854,026
149	Provision for decline in value of inventories		(25,196,165,344)	(18,278,468,654)
150	Other current assets		10,276,373,818	29,925,896,665
151	Short-term prepaid expenses	11(a)	8,394,354,218	27,371,387,238
152	Value added tax ("VAT") to be reclaimed	16(a)	1,786,084,549	1,333,331,682
153	Tax and other receivables from the State		95,935,051	1,221,177,745

The notes on pages 10 to 51 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2023 VND	2022 VND
200	NON-CURRENT ASSETS		1,909,397,222,344	2,109,540,952,400
210	Long-term receivables		162,273,147,671	364,461,972,146
215	Long-term lending	7(b)	142,526,415,151	-
216	Other long-term receivables	8(b)	19,746,732,520	364,461,972,146
220	Fixed assets		173,724,393,411	174,151,299,318
221	Tangible fixed assets	12(a)	161,909,397,850	160,889,579,088
222	Historical cost		493,908,287,859	475,131,484,000
223	Accumulated depreciation		(331,998,890,009)	(314,241,904,912)
227	Intangible fixed assets	12(b)	11,814,995,561	13,261,720,230
228	Historical cost		34,504,878,488	32,568,567,346
229	Accumulated amortisation		(22,689,882,927)	(19,306,847,116)
240	Long-term asset in progress		20,342,350,587	2,006,447,041
242	Construction in progress	13	20,342,350,587	2,006,447,041
250	Long-term investments		1,458,831,200,000	1,475,431,200,000
251	Investments in subsidiaries	4(b)	916,600,000,000	916,600,000,000
252	Investments in associate	4(b)	396,031,200,000	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)	27,000,000,000	46,000,000,000
260	Other long-term assets		94,226,130,675	93,490,033,895
261	Long-term prepaid expenses	11(b)	84,258,338,589	85,840,952,383
262	Deferred income tax assets	22	9,967,792,086	7,649,081,512
270	TOTAL ASSETS		4,661,418,677,885	4,539,785,304,561

The notes on pages 10 to 51 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
300	LIABILITIES		819,499,591,688	1,095,773,666,553
310	Current liabilities		809,768,416,273	1,088,987,347,386
311	Short-term trade accounts payable	14	213,783,820,148	319,977,099,228
312	Short-term advances from customers	15	96,759,961,892	103,216,991,711
313	Tax and other payables to the State	16(b)	39,019,312,398	83,447,540,876
314	Payables to employees	17	51,984,400,815	16,304,569,145
315	Short-term accrued expenses	18	15,023,078,467	20,127,143,508
318	Short-term unearned revenue		272,727,272	500,000,000
319	Other short-term payables		1,786,131,339	3,007,743,242
320	Short-term borrowings	19	388,236,979,494	520,147,652,725
322	Bonus and welfare funds	20	2,902,004,448	22,258,606,951
330	Non-current liability		9,731,175,415	6,786,319,167
342	Provision for long-term liabilities	21	9,731,175,415	6,786,319,167
400	OWNERS' EQUITY		3,841,919,086,197	3,444,011,638,008
410	Capital and reserves		3,841,919,086,197	3,444,011,638,008
411	Owners' capital	23, 24	1,507,879,460,000	1,358,461,220,000
411a	- Ordinary shares with voting rights		1,507,879,460,000	1,358,461,220,000
412	Share premium	24	1,418,741,358,556	1,419,298,588,703
415	Treasury shares	24	-	(653,230,147)
418	Investment and development funds	24	22,750,817,418	-
421	Undistributed earnings	24	892,547,450,223	666,905,059,452
421a	- Undistributed post-tax profits of previous years		345,383,848,318	75,983,470,486
421b	- Post-tax profits of current year		547,163,601,905	590,921,588,966
440	TOTAL RESOURCES		4,661,418,677,885	4,539,785,304,561



 Nguyen Thi Hong Lan
 Preparer



 Thieu Thi Ngoc Diem
 Chief Accountant



 Le Duc Nghia
 Chairman of Board of Directors
 28 March 2024



The notes on pages 10 to 51 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	2,451,352,481,744	2,954,308,935,698
02	Less deductions	(3,320,120,254)	(9,498,297,582)
10	Net revenue from sales of goods and rendering of services	2,448,032,361,490	2,944,810,638,116
11	Cost of goods sold and services rendered	(1,834,462,907,838)	(2,220,519,610,191)
20	Gross profit from sales of goods and rendering of services	613,569,453,652	724,291,027,925
21	Financial income	455,862,704,389	431,254,337,431
22	Financial expenses	(26,775,072,922)	(36,818,336,982)
23	- Including: Interest expense	(22,831,809,157)	(18,725,124,935)
25	Selling expenses	(336,262,091,748)	(351,030,463,589)
26	General and administration expenses	(94,114,375,720)	(93,794,913,262)
30	Net operating profit	612,280,617,651	673,901,651,523
31	Other income	7,975,738,134	3,977,885,933
32	Other expenses	(1,922,219,493)	(1,145,391,700)
40	Net other income	6,053,518,641	2,832,494,233
50	Accounting profit before tax	618,334,136,292	676,734,145,756
51	Corporate income tax ("CIT") - current	(73,489,244,961)	(88,366,117,736)
52	CIT - deferred	2,318,710,574	2,553,560,946
60	Profit after tax	547,163,601,905	590,921,588,966

 Nguyen Thi Hong Lan
 Preparer

 Thieu Thi Ngoc Diem
 Chief Accountant

 Le Duc Nghia
 Chairman of Board of Directors
 28 March 2024

The notes on pages 10 to 51 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		618,334,136,292	676,734,145,756
	Accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	45,235,186,267	48,585,352,965
03	Provisions	15,464,971,901	7,281,938,973
04	Unrealised foreign exchange gains	(77,462,791)	(1,983,839,896)
05	Profits from investing activities	(441,627,176,067)	(416,147,370,523)
06	Interest expense	22,831,809,157	18,725,124,935
08	Operating profit before changes in working capital	260,161,464,759	333,195,352,210
09	Decrease/(increase) in receivables	63,249,461,605	(78,176,213,404)
10	Decrease/(increase) in inventories	164,114,383,912	(11,893,863,777)
11	(Decrease)/increase in payables	(84,615,803,765)	77,495,387,110
12	Decrease/(increase) in prepaid expenses	20,559,646,814	(17,567,578,675)
14	Interest paid	(22,608,402,996)	(18,725,124,935)
15	CIT paid	(119,552,558,539)	(31,362,305,904)
17	Other payments on operating activities	(65,293,914,019)	(13,053,359,288)
20	Net cash inflows from operating activities	216,014,277,771	239,912,293,337
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(61,241,049,533)	(7,303,375,934)
22	Proceeds from disposals of fixed assets	2,431,209,091	-
23	Investments held to maturity	(1,629,000,000,000)	(1,159,000,000,000)
24	Collection of investments held to maturity and lendings	1,073,505,283,033	1,130,145,044,955
25	Investments in subsidiary and associate	(12,600,000,000)	(126,631,200,000)
26	Proceeds from divestment in subsidiary	10,200,000,000	-
27	Interest received from lendings, bank deposits, dividends and profit distributed	398,502,666,457	369,720,625,892
30	Net cash (outflows)/inflows from investing activities	(218,201,890,952)	206,931,094,913
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	96,000,000	43,748,200,000
33	Proceeds from borrowings	1,187,387,202,768	1,405,479,395,865
34	Repayments of borrowings	(1,319,297,875,999)	(1,193,125,308,177)
36	Dividends paid	(105,486,151,400)	(464,650,732,500)
40	Net cash outflows from financing activities	(237,300,824,631)	(208,548,444,812)
50	Net (decrease)/increase in cash in year	(239,488,437,812)	238,294,943,438
60	Cash and cash equivalents at beginning of year	285,786,734,410	47,401,336,077
61	Effect of foreign exchange differences	49,703,586	90,454,895
70	Cash and cash equivalents at end of year	46,348,000,184	285,786,734,410

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


 Nguyen Thi Hong Lan
 Preparer


 Thieu Thi Ngoc Diem
 Chief Accountant


 Le Duc Nghia
 Chairman of Board of Directors
 28 March 2024



The notes on pages 10 to 51 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

An Cuong Wood-Working Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to the initial Business Registration Certificate No. 4602002303 dated 20 September 2006 which was issued by the Department of Planning and Investment of Binh Duong Province and the 33rd latest Enterprise Registration Certificate No. 3700748131 dated 22 February 2024.

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

The Company’s shares are listed on the Ho Chi Minh City Stock Exchange (“HOSE”) with the ticker symbol ACG.

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

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

As at 31 December 2023, the Company had 2 direct subsidiaries, 1 indirect subsidiary and 1 associate as disclosed in Note 4(b), details are as follows:

Name	Principal activities	Place of incorporation and operation	31.12.2023		31.12.2022	
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Direct subsidiaries						
An Cuong Wood-Working Manufacturing Limited Company	Manufacture and trade wooden products	Binh Duong Province	100	100	100	100
Malloca Vietnam Company Limited	Trade Malloca-brand kitchen appliances	Ho Chi Minh City	100	100	100	100
An Khang MDF Co., Ltd (**)	Manufacture and trade board products from boards	Tay Ninh Province	-	-	51	51
Indirect subsidiary						
AConcept Vietnam Company Limited (*)	Wholesale and retail of interior and interior decoration	Ho Chi Minh City	100	100	100	100
Associate						
Thang Loi Homes Joint Stock Company	Trade real estate and develop residential projects	Long An Province	30	30	30	30

1 GENERAL INFORMATION (continued)

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

(**) Pursuant to Resolution of the Board of Directors No. 18-2023/NQ-GAC dated 16 October 2023, the Company has approved the divestment of its entire contributed capital in An Khang MDF Co., Ltd by transferring the entire capital contribution of VND10,200,000,000 to the appropriate party. The transfer completed on 9 November 2023 and there was no profit/loss arising from capital transfer. Accordingly, as at 31 December 2023, the Company no longer owned any capital contribution in An Khang MDF Co., Ltd.

Pursuant to the Resolution of the Board of Directors No. 05-2023/NQ-GAC dated 11 April 2023, the Company approved the establishment of a Commercial Representative Office in the Kingdom of Cambodia. As at 20 June 2023, the incorporation was completed.

As at 31 December 2023, the Company had 1,746 employees (as at 31 December 2022: 1,753 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

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

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

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

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

Users of these separate financial statements of the Company should read them together with the consolidated financial statements of the Group for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Fiscal year**

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

2.3 Currency

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

2.4 Exchange rate

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are 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 bank with which the Company regularly transacts. Foreign currencies deposited in bank at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

2.5 Cash and cash equivalents

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

2.6 Receivables

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

Receivables are classified into short-term and long-term receivables on the separate balance sheet based on the remaining 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Inventories (continued)**

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 financial year and the provision of the previous financial year are recognised as an increase or decrease of cost of goods sold in the financial year.

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. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of the 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 financial year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

(b) Investments in subsidiaries

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

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

(c) Investments in associate

Associate is 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(c) Investments in associate (continued)**

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

(d) Investments in other entity

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

(e) Provision for investments in subsidiaries, associate and other entity

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

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

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

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

2.9 Lending

Lendings are lendings granted for the earning interest under agreements among parties but not for 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 year 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 financial year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lendings on the separate balance sheet based on the remaining term of the lendings as at the separate balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 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 financial year.

Depreciation and amortisation

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

Plant and buildings	3% - 20%
Machinery	8% - 20%
Motor vehicles	8% - 17%
Office equipment	13% - 33%
Others	6% - 8%
Land use rights	3%
Software	13% - 40%

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

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

Disposals

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

Construction in progress

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 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.

2.12 Prepaid expenses

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

Prepayments for land rental contracts which are not recorded as intangible assets as described in Note 2.10 are recorded as prepaid expenses and allocated using the straight-line basis over the prepaid lease term.

2.13 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.

2.14 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 financial year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the separate income statement when incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Accrued expenses**

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

2.16 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 fiscal year are recorded as an increase or decrease in operating expenses.

2.17 Provision for severance allowances

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

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month 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.

2.18 Owners' capital

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

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

Treasury shares brought before the effective date of the Securities Law (1 January 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Owners' capital (continued)**

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

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

2.19 Appropriation of net profit

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

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

The Company's funds are as below:

(a) Bonus and welfare fund

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

(b) Investment and development fund

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition (continued)****(a) Revenue from sales of goods (continued)**

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

(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 all four (4) of the following conditions are satisfied:

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

(c) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

(d) Profit distributed

Profit distributed is recognised when the Company has established the receiving right from subsidiaries.

2.21 Sales deductions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Cost of goods sold and services rendered

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

2.23 Financial expenses

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

2.24 Selling expenses

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

2.25 General and administration expenses

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

2.26 Current and deferred income tax

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 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, associate and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including Chairman, members of the Company's Board of Directors, Head of Board of Supervision, the General Director and members of the Company's Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

2.28 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. Segment report presented in consolidated financial statements so that users have sufficient segment's information of the Group.

2.29 Critical accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.10 and 12);
- Estimation of provision for doubtful debts (Note 9) and provision for decline in value of inventories (Note 10); and
- 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 Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	2023 VND	2022 VND
Cash on hand	241,334,599	414,366,556
Cash at banks	46,106,665,585	38,372,367,854
Cash equivalents	-	247,000,000,000
	<u>46,348,000,184</u>	<u>285,786,734,410</u>

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

	<u>2023</u>		<u>2022</u>	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits (*)	<u>1,469,000,000,000</u>	<u>1,469,000,000,000</u>	<u>866,000,000,000</u>	<u>866,000,000,000</u>
ii. Long-term				
Term deposits (**)	<u>27,000,000,000</u>	<u>27,000,000,000</u>	<u>46,000,000,000</u>	<u>46,000,000,000</u>

(*) As at 31 December 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 4.9% - 11.5% per annum (as at 31 December 2022: 5.5% - 12% per annum). In addition, the Company has pledged VND176 billion of these investments with banks as collateral assets for the Company's borrowings (Note 19) (as at 31 December 2022: VND162 billion).

(**) As at 31 December 2023, long-term investments held to maturity comprise of term deposits at commercial banks with remaining period more than 1 year and earn interest at the rate of 4.8% per annum (as at 31 December 2022: 11.5% per annum).

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(b) Investments in subsidiaries, associate and other entity

	2023			2022		
	Book value VND	Ownership %	Provision VND	Book value VND	Ownership %	Provision VND
i. Investments in subsidiaries						
An Cuong Wood-Working Manufacturing Company Limited (*)	796,600,000,000	100	-	796,600,000,000	100	-
Malloca Vietnam Company Limited (*)	120,000,000,000	100	-	120,000,000,000	100	-
An Khang MDF Co., Ltd (**)	-	-	-	-	51	-
	<u>916,600,000,000</u>			<u>916,600,000,000</u>		
ii. Investments in associate						
Thang Loi Homes Joint Stock Company (*), (***)	<u>396,031,200,000</u>	30	-	<u>393,631,200,000</u>	30	-
iii. Investment in other entity						
Thang Loi Group Real Estate Joint Stock Company (*), (****)	<u>119,200,000,000</u>	15.55	-	<u>119,200,000,000</u>	12.97	-

(*) As at 31 December 2023 and 31 December 2022, the Company had not determined the fair value of these investments to disclose in the separate financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

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

- (**) Pursuant to Resolution of the Board of Directors No. 16-2022/NQ-GAC dated 24 October 2022, the Board of Directors of the Company approved the plan to contribute capital to establish An Khang MDF Co., Ltd. On 16 January 2023, the Company fully contributed the capital commitment amounted to VND10,200,000,000 (equivalent to 51% ownership) to An Khang MDF Co., Ltd. However, as presented at Note 1, the Company completed transfer its entire contributed capital to other partner in 2023. Accordingly, as at 31 December 2023, the Company no longer owned any capital contribution in An Khang MDF Co., Ltd.
- (***) Pursuant to Resolution of the Board of Directors No. 09-2023/NQ-GAC dated 1 June 2023, the Board of Directors of the Company approved an investment of VND5,400,000,000 to buy 30% of total new shares issued by Thang Loi Homes Joint Stock Company, equivalent to 540,000 ordinary shares. During the year, the Company has fully contributed the 1st round of committed capital amounted to VND2,400,000,000, equivalent to 240,000 ordinary shares. Accordingly, as at 31 December 2023, the Company owned 30% of the charter capital of this company. At the date of these separate financial statements, the information regarding the remaining capital contribution and the issuance of the according ordinary shares have not been disclosed.
- (****) During the year, some shareholders of Thang Loi Group Real Estate Joint Stock Company divested a part of their capital contribution according to the Resolution of the General Meeting of Shareholders of this company, resulting an increase of the charter capital owned by the Company in this company from 12.97% to 15.55%.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2023	2022
	VND	VND
Third parties		
Western City Company Limited	33,107,012,766	-
Ai Linh Trading Import - Export Joint Stock Company	32,970,348,517	45,704,544,547
Others	253,476,241,039	263,715,344,861
Related parties (Note 36(b))	21,039,334,421	39,056,569,563
	<u>340,592,936,743</u>	<u>348,476,458,971</u>

As at 31 December 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due, amounted to VND54,222,537,377 and VND33,351,118,362, respectively as presented in Note 9.

As at 31 December 2023 and 31 December 2022, there were no other third-party customers which had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2023 VND	2022 VND
Third parties		
HUECK Rheinische GmbH	1,873,311,247	-
Dat Moi Trading Service Joint Stock Company	-	2,653,701,897
Cata Electrodomesticos SL	-	2,564,450,694
Others	6,773,374,993	16,103,429,823
Related parties (Note 36(b))	398,940,400	3,802,046,000
	<u>9,045,626,640</u>	<u>25,123,628,414</u>

7 LENDINGS**(a) Short-term**

	2023 VND	2022 VND
Novareal Joint Stock Company (*)	114,021,132,127	-

(b) Long-term

	2023 VND	2022 VND
Novareal Joint Stock Company (*)	142,526,415,151	-

7 LENDINGS (continued)

- (*) 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 Novareal Phan Thiet project. Accordingly, the Company deposited VND285,052,830,311 in 2021. In addition, pursuant to the relevant agreements, until 15 March 2023, the Company can decide whether to exercise or not the real estate purchase option. The Company has confirmed to not exercise the real estate purchase option. According to the confirmation for Option Selection for the Buy Back Commitment Program with Novareal Joint Stock Company signed on 20 April 2023 and Liquidation agreements dated 11 October 2023, the Company continued to confirm to not exercise the real estate purchase option and will be fully refunded deposit amounts and relevant interests, according to the schedule and interest rate as follows:
- September 2023: Payment of 10% of the actual deposit. During the year, the Company fully collected 10% of the actual deposit, equivalent to VND28,505,283,033.
 - September 2024: Payment of 40% of the actual deposit and the unpaid interest accumulated as of September 2024, including the interest calculated at 13% per annum computed on 100% of the actual deposit as of September 2023 and the late-payment interest at 15% per annum arising from September 2023 to September 2024 computed on 40% of the actual deposit.
 - September 2025: Payment of 50% of the actual deposit and the late-payment interest at 15% per annum arising from September 2023 to September 2025 computed on 50% of the actual deposit.

The Company recognised the above accrued interest income in the separate financial statements for the year ended 31 December 2022 and 31 December 2023.

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

	2023	2022
	VND	VND
Entrusted-investment (*)	114,699,683,444	156,017,700,000
Interest receivables (Note 7, 29, 35)	99,490,956,153	-
Interest income from term deposits	34,381,169,796	18,066,530,507
Interest income from entrusted-investment (Note 35) (*)	10,867,216,930	18,645,847,067
Deposits	2,731,297,440	4,149,048,176
Advances to employees	688,177,229	1,387,873,529
Others	38,221,303	297,034,680
	<u>262,896,722,295</u>	<u>198,564,033,959</u>

8 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. The Company received the interest amounted to VND7,778,630,137 on 3 January 2023 and the principal amounted to VND41,318,016,556 on 9 June 2023. At the date of these separate financial statements, VinaCapital is in the process of dealing with the bond issuer to collect the remaining of this investment. According to the Board of Management's assessment of the Company, this investment will be fully recovered and hence, there's no impairment indicator which requires a provision to be made.

(b) Long-term

	2023 VND	2022 VND
Other deposits	14,065,200,080	10,618,567,602
Interest receivables (Note 7, 29, 35)	5,681,532,440	68,790,574,233
Deposits (*)	-	285,052,830,311
	<u>19,746,732,520</u>	<u>364,461,972,146</u>

(*) As at 31 December 2023, the deposits were classified into short-term lending and long-term lending according to the confirmation of not exercising the real estate purchase option with Novareal Joint Stock Company signed on 20 April 2023 as presented in Note 7.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	2023			Overdue period
	Cost VND	Recoverable amount VND	Provision VND	
Short-term receivables that were past due				
Lao Cai - No.1 Construction and Trading Investment Joint Stock Company	11,758,568,349	8,230,997,844	3,527,570,505	Over 6 months, under 1 year
Long Giang Investment and Urban Development Joint Stock Company	4,735,807,801	-	4,735,807,801	Over 3 years
An Gia Hung Investment Construction Joint Stock Company	3,338,942,601	-	3,338,942,601	Over 3 years
Hung Thinh Furniture Joint Stock Company	22,594,915,109	11,297,457,553	11,297,457,556	Over 1 year, under 2 years
Others	11,794,303,517	6,388,474,087	5,405,829,430	Over 6 months
	<u>54,222,537,377</u>	<u>25,916,929,484</u>	<u>28,305,607,893</u>	
	2022			Overdue period
	Cost VND	Recoverable amount VND	Provision VND	
Short-term receivables that were past due				
Lao Cai - No.1 Construction and Trading Investment Joint Stock Company	18,799,490,297	9,399,745,149	9,399,745,149	Over 2 years, under 3 years
Long Giang Investment and Urban Development Joint Stock Company	5,235,807,801	-	5,235,807,801	Over 2 years, under 3 years
An Gia Hung Investment Construction Joint Stock Company	3,338,942,601	-	3,338,942,601	Over 3 years
Others	5,976,877,663	963,629,496	5,013,248,167	Over 1 year
	<u>33,351,118,362</u>	<u>10,363,374,645</u>	<u>22,987,743,718</u>	

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

10 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods purchased in transit				
Raw materials	26,675,466,855	-	27,858,140,925	-
Tools, supplies	324,289,166,219	(15,611,746,978)	402,482,294,220	(10,786,154,521)
Work in progress	6,591,322,304	-	-	-
Finished goods	78,882,345,131	(2,706,350,783)	124,037,465,903	(2,431,079,708)
Merchandise	88,245,071,521	(4,499,216,083)	125,995,998,180	(4,212,662,775)
Finished goods in transit	14,121,331,535	(2,378,851,500)	29,965,698,784	(848,571,650)
	14,291,766,549	-	6,871,256,014	-
	<u>553,096,470,114</u>	<u>(25,196,165,344)</u>	<u>717,210,854,026</u>	<u>(18,278,468,654)</u>

10 INVENTORIES (continued)

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

	2023 VND	2022 VND
Beginning of year	18,278,468,654	20,944,199,080
Provision/(reversal of provision) (Note 28)	6,917,696,690	(2,665,730,426)
End of year	<u>25,196,165,344</u>	<u>18,278,468,654</u>

11 PREPAID EXPENSES**(a) Short-term**

	2023 VND	2022 VND
Tools, supplies used	2,714,194,960	5,723,400,406
Rental	658,142,000	610,340,000
Insurance	577,063,803	739,385,873
Advertising	103,831,819	10,156,785,302
Others	4,341,121,636	10,141,475,657
	<u>8,394,354,218</u>	<u>27,371,387,238</u>

(b) Long-term

	2023 VND	2022 VND
Land rental (*)	62,599,520,521	64,419,790,083
Office and factory renovation	11,888,793,811	12,349,834,490
Tools, supplies used	4,473,811,646	5,786,869,689
Rental	1,955,823,931	2,001,933,729
Others	3,340,388,680	1,282,524,392
	<u>84,258,338,589</u>	<u>85,840,952,383</u>

(*) As at 31 December 2023, land use rights of land plot No. 218 and No. 441 located in Binh Duong Province with the carrying amount of VND60,046,390,546 (as at 31 December 2022: VND61,797,500,831) were pledged as securities for short-term borrowings with banks (Note 19).

11 PREPAID EXPENSES (continued)

(b) Long-term (continued)

Movements in prepaid expenses during the financial year were as follows:

	2023 VND	2022 VND
Beginning of year	113,212,339,621	95,644,760,946
Increase	73,036,013,781	100,511,531,261
Allocation during the year	(93,595,660,595)	(82,943,952,586)
End of year	<u>92,652,692,807</u>	<u>113,212,339,621</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

12 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 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	2,597,986,996	36,954,252,051	5,712,448,818	247,966,363	-	45,512,654,228
Written-off	(8,485,572,163)	(6,967,721,957)	(255,000,000)	(93,478,000)	(2,053,273,912)	(17,855,046,032)
Disposals	-	(6,250,807,519)	(2,629,996,818)	-	-	(8,880,804,337)
As at 31 December 2023	150,537,656,469	242,495,689,490	78,304,319,747	4,219,332,543	18,351,289,610	493,908,287,859
Accumulated depreciation						
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 year	11,953,706,581	22,322,392,836	6,487,608,323	333,660,214	754,782,502	41,852,150,456
Written-off	(7,780,170,598)	(6,967,721,957)	(255,000,000)	(93,478,000)	(2,053,273,912)	(17,149,644,467)
Disposals	-	(4,318,049,326)	(2,627,471,566)	-	-	(6,945,520,892)
As at 31 December 2023	94,578,478,714	161,703,769,777	55,111,722,334	3,788,202,328	16,816,716,856	331,998,890,009
Net book value						
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 December 2023	55,959,177,755	80,791,919,713	23,192,597,413	431,130,215	1,534,572,754	161,909,397,850

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 December 2023 was VND100,117,299,811 (as at 31 December 2022: VND30,164,505,782) 2022: VND77,388,426,143).

As at 31 December 2023, tangible fixed assets with carrying value of VND26,638,861,991 (as at 31 December 2022: VND30,164,505,782) were pledged as securities for short-term borrowings with banks (Note 19).

12 FIXED ASSETS (continued)**(b) Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2023	8,090,909,091	24,477,658,255	32,568,567,346
New purchases	-	1,936,311,142	1,936,311,142
As at 31 December 2023	<u>8,090,909,091</u>	<u>26,413,969,397</u>	<u>34,504,878,488</u>
Accumulated amortisation			
As at 1 January 2023	1,843,415,183	17,463,431,933	19,306,847,116
Charge for the year	221,804,518	3,161,231,293	3,383,035,811
As at 31 December 2023	<u>2,065,219,701</u>	<u>20,624,663,226</u>	<u>22,689,882,927</u>
Net book value			
As at 1 January 2023	<u>6,247,493,908</u>	<u>7,014,226,322</u>	<u>13,261,720,230</u>
As at 31 December 2023	<u><u>6,025,689,390</u></u>	<u><u>5,789,306,171</u></u>	<u><u>11,814,995,561</u></u>

Historical cost of intangible fixed assets fully amortised but still in use as at 31 December 2023 was VND3,668,852,090 (as at 31 December 2022: VND3,398,852,090).

As at 31 December 2023, intangible fixed assets with carrying value of VND6,025,689,390 (as at 31 December 2022: VND6,247,493,908) were pledged as securities for short-term borrowings with banks (Note 19).

13 CONSTRUCTION IN PROGRESS

	2023 VND	2022 VND
Software under installation process	18,628,673,191	934,020,000
Office renovation	729,289,463	289,317,394
Machinery and equipment	408,529,651	732,079,544
Others	575,858,282	51,030,103
	<u>20,342,350,587</u>	<u>2,006,447,041</u>

13 CONSTRUCTION IN PROGRESS (Continued)

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

	2023 VND	2022 VND
Beginning of year	2,006,447,041	677,894,956
Increase during the year	18,335,903,546	1,328,552,085
End of year	<u>20,342,350,587</u>	<u>2,006,447,041</u>

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	<u>2023</u>		<u>2022</u>	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
VRG Kien Giang MDF Joint Stock Company	28,290,617,496	28,290,617,496	14,775,145,826	14,775,145,826
Vina Eco Board Limited	17,076,232,316	17,076,232,316	17,471,924,992	17,471,924,992
Others	105,193,723,343	105,193,723,343	155,050,618,899	155,050,618,899
Related parties (Note 36(b))	63,223,246,993	63,223,246,993	132,679,409,511	132,679,409,511
	<u>213,783,820,148</u>	<u>213,783,820,148</u>	<u>319,977,099,228</u>	<u>319,977,099,228</u>

As at 31 December 2023 and 31 December 2022, there were no other third-party suppliers which had a balance accounting for 10% or more of the total balance of short-term trade accounts payable.

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

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	2023 VND	2022 VND
Kember Kreative Interiors Conglom Inc.	14,284,932,385	-
Others	11,477,000,000	11,477,000,000
	70,998,029,507	91,739,991,711
	<u>96,759,961,892</u>	<u>103,216,991,711</u>

As at 31 December 2023 and 31 December 2022, there were no other third-party customers which had a balance accounting for 10% or more of the total balance of short-term advances from customers.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

16 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2023 VND	Receivable during the year VND	Received during the year VND	Net-off during the year VND	As at 31.12.2023 VND
a) Value added tax ("VAT") to be reclaimed					
	1,333,331,682	150,720,625,689	-	(150,267,872,822)	1,786,084,549
b) Payables					
CIT	70,304,116,183	73,489,244,961	(119,552,558,539)	-	24,240,802,605
Personal income tax	7,066,232,963	15,945,347,143	(15,911,148,043)	-	7,100,432,063
VAT output	6,077,191,730	187,755,995,490	(35,887,236,668)	(150,267,872,822)	7,678,077,730
VAT on imported goods	-	40,138,158,164	(40,138,158,164)	-	-
Import tax	-	6,321,536,654	(6,321,536,654)	-	-
Others	-	1,467,179,505	(1,467,179,505)	-	-
	83,447,540,876	325,117,461,917	(219,277,817,573)	(150,267,872,822)	39,019,312,398

17 PAYABLES TO EMPLOYEES

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

18 SHORT-TERM ACCRUED EXPENSES

	2023	2022
	VND	VND
Based-investment-performance fees to VinaCapital	6,000,000,000	6,000,000,000
Salary expenses	3,990,540,134	4,082,613,209
Bonus to employees	2,089,236,913	4,703,775,834
Interest expense	223,406,161	-
Others	2,719,895,259	5,340,754,465
	<u>15,023,078,467</u>	<u>20,127,143,508</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

19 SHORT-TERM BORROWINGS

	As at 1.1.2023 VND	Increase VND	Decrease VND	As at 31.12.2023 VND
Bank loans (*)	520,147,652,725	1,187,387,202,768	(1,319,297,875,999)	388,236,979,494

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

	Currency	As at 31.12.2023 VND	Term (months)	Expiry date	Interest (% per annum)	Collateral assets/Pledges (Note 4(a), 11(b), 12(a), 12(b))	Purposes
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	VND	232,680,824,672	6	12/3/2024 - 25/6/2024	3.3 - 4.4	Bank deposit contracts of VND176 billion; debt collection rights; land use rights and assets belonged to land plot No. 218 located in Binh Duong.	To finance working capital
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	VND	155,556,154,822	4 - 6	5/3/2024 - 6/5/2024	3.3 - 4.4	Debt collection rights; land use rights and assets belonged to land plot No. 441 located in Binh Duong; machineries and equipments.	To finance working capital
		<u>388,236,979,494</u>					

20 BONUS AND WELFARE FUNDS

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

	2023 VND	2022 VND
Beginning of year	22,258,606,951	354,323,432
Increase (Note 24)	30,779,064,467	32,087,642,807
Decrease	(50,135,666,970)	(10,183,359,288)
End of year	<u>2,902,004,448</u>	<u>22,258,606,951</u>

21 PROVISION FOR LONG-TERM LIABILITIES

The balances represent provision for dismantling cost and provision for severance allowances which were determined based on the method disclosed in Note 2.16 and Note 2.17.

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 and same taxable unit. The details were as follows:

	2023 VND	2022 VND
Deferred income tax assets are calculated base on:		
Provision for decline in value of inventories	5,039,233,069	3,655,693,731
Accrual expenses	2,206,507,667	2,636,123,948
Provision for dismantling cost	1,200,000,000	800,000,000
Provision of severance allowances	746,235,083	557,263,833
Profit from revenue with invoices issued but not yet qualified to be recognised	775,816,267	-
	<u>9,967,792,086</u>	<u>7,649,081,512</u>

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

	2023 VND	2022 VND
Beginning of year	7,649,081,512	5,095,520,566
Recorded into separate income statement charge (Note 33)	2,318,710,574	2,553,560,946
End of year	<u>9,967,792,086</u>	<u>7,649,081,512</u>

22 DEFERRED INCOME TAX (continued)

Details of deferred income tax assets:

	2023 VND	2022 VND
Deductible temporary differences	9,967,792,086	7,649,081,512

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

Deferred income tax assets mainly arise from deductible temporary differences relating to accrued expenses, provisions and profit from revenue whose invoices have been issued but not yet qualified to be recognised.

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

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

	2023 Ordinary shares	2022 Ordinary shares
Number of shares registered	150,787,946	135,846,122
Number of shares issued	150,787,946	135,846,122
Number of shares repurchased	-	(9,600)
Number of existing shares in circulation	150,787,946	135,836,522

(b) Details of owners' shareholding

	2023		2022	
	Ordinary shares	%	Ordinary shares	%
NC Vietnam Investment Company Limited	75,463,194	50.05	67,984,860	50.05
Sumitomo Forestry (Singapore) Ltd.	29,571,819	19.61	26,641,279	19.61
Whitlam Holding Pte. Ltd.	27,242,397	18.07	24,542,700	18.07
Others	18,510,536	12.27	16,667,683	12.27
	<u>150,787,946</u>	<u>100</u>	<u>135,836,522</u>	<u>100</u>

23 OWNERS' CAPITAL (continued)

(c) Movement 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)	875,850,209,853
New shares issued	48,195,778	481,957,780,000	-	481,957,780,000
As at 31 December 2022	135,836,522	1,358,461,220,000	(653,230,147)	1,357,807,989,853
New shares issued (Note 24)	14,941,824	149,418,240,000	-	149,418,240,000
Treasury shares re-issued (Note 24)	9,600	-	653,230,147	653,230,147
As at 31 December 2023	150,787,946	1,507,879,460,000	-	1,507,879,460,000

Par value per share: VND10,000.

The Company has no preference shares.

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

Form B 09 – DN

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
Dividends paid in shares	438,203,480,000	-	-	-	(438,203,480,000)	-
Dividends 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 fund	-	-	-	-	(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 year	-	-	-	-	547,163,601,905	547,163,601,905
Dividends paid in shares ((i) and Note 25)	149,418,240,000	-	-	-	(149,418,240,000)	-
Dividends paid in cash ((ii) and Note 25)	-	-	-	-	(105,544,842,200)	(105,544,842,200)
Treasury shares re-issued (iii)	-	(557,230,147)	653,230,147	-	-	96,000,000
Appropriation to the investment and development fund (iv)	-	-	-	30,779,064,467	(30,779,064,467)	-
Appropriation to the bonus and welfare fund (iv)	-	-	-	-	(30,779,064,467)	(30,779,064,467)
Appropriation to the charity fund (iv)	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Payment from investment and development fund (v)	-	-	-	(8,028,247,049)	-	(8,028,247,049)
As at 31 December 2023	1,507,879,460,000	1,418,741,358,556	-	22,750,817,418	892,547,450,223	3,841,919,086,197

24 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) Pursuant to the Resolution No. 10-2023/NQ-GAC dated 21 June 2023 and Decision No. 82-2023/QĐ-GAC dated 24 July 2023, the Board of Directors approved the issuance of new shares to pay dividend for existing shareholders at the ratio of 11%. Accordingly, the Company issued 14,941,824 shares, which is equivalent to VND149,418,240,000.
- (ii) Pursuant to the Resolution No. 19-2023/NQ-GAC dated 16 November 2023, the Board of Directors approved the advance of the 1st dividend payment of 2023 in cash for existing shareholders at the rate of 7% on par value of each share, equivalent to VND105,544,842,200. Accordingly, the Company paid VND105,544,842,200 dividend in cash.
- (iii) Pursuant to the Decision No. 15-2023/QĐ-GAC dated 23 August 2023, the Board of Directors approved on the execution of the plan to issue the shares under the Employee Stock Ownership Plan from treasury shares with the amount of 9,600 treasury shares. Accordingly, the Company re-issued 9,600 treasury shares, which is equivalent to VND96,000,000.
- (iv) Pursuant to the Resolution of the Annual General Meeting of Shareholders No. 07-2023/NQ-GAC dated 26 April 2023, the General Meeting of Shareholders approved the appropriation of charity fund amounting to VND5,000,000,000, the appropriation of bonus and welfare fund at the rate of 5% on profit after tax in the audited consolidated financial statements of the Group in 2022, equivalent to VND30,779,064,467 and the appropriation of the Company's Investment and Development Fund at the rate of 5% on profit after tax in the audited consolidated financial statements of the Group in 2022, equivalent to VND30,779,064,467.
- (v) Payment from investment and development fund related to the implementation of the project to upgrade and improve SAP S/4 HANA of the Group's system in 2023.

25 DIVIDENDS

	2023 VND	2022 VND
Beginning of year	262,857,700	-
Increase in the year (Note 24)	254,963,082,200	903,117,070,200
Dividend paid in cash	(105,486,151,400)	(464,650,732,500)
Dividend paid in ordinary shares (Note 24)	(149,418,240,000)	(438,203,480,000)
End of year	<u>321,548,500</u>	<u>262,857,700</u>

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

As at 31 December 2023, included in cash were balances held in foreign currencies of US\$482,117.53 and EUR50,709.43 (as at 31 December 2022: US\$415,893 and EUR14,945).

(b) Operating lease assets

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

27 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue		
Revenue from sales of merchandise and finished goods	2,408,309,781,755	2,886,592,718,976
Revenue from rendering of services	43,042,699,989	67,716,216,722
	<u>2,451,352,481,744</u>	<u>2,954,308,935,698</u>
Sales deductions		
Sales returns	(2,996,232,449)	(5,341,007,253)
Trade discounts	(275,008,151)	(4,148,554,769)
Sales allowances	(48,879,654)	(8,735,560)
	<u>(3,320,120,254)</u>	<u>(9,498,297,582)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandise and finished goods	2,404,989,661,501	2,877,094,421,394
Net revenue from rendering of services	43,042,699,989	67,716,216,722
	<u>2,448,032,361,490</u>	<u>2,944,810,638,116</u>

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2023 VND	2022 VND
Cost of goods and merchandises sold	1,801,888,683,477	2,177,318,903,189
Cost of services rendered	23,656,527,671	43,866,437,428
Provision/(reversal of provision) for decline in value of inventories (Note 10)	6,917,696,690	(2,665,730,426)
Provision for dismantling cost	2,000,000,000	2,000,000,000
	<u>1,834,462,907,838</u>	<u>2,220,519,610,191</u>

29 FINANCIAL INCOME

	2023 VND	2022 VND
Profit distributed (Note 36)	323,000,000,000	286,000,000,000
Interest income from bank deposits	84,038,675,609	60,750,615,607
Interest income from deposits (Note 8(a) and 8(b))	36,381,914,360	37,056,867,941
Realised foreign exchange gains	12,180,344,189	13,357,375,631
Penalty interest income on late payments	184,307,440	-
Net gain from foreign currency translation at year-end	77,462,791	1,983,839,896
Interest income from entrusted-investment	-	21,099,747,945
Dividend income	-	8,940,000,000
Interest income from lending	-	2,065,890,411
	<u>455,862,704,389</u>	<u>431,254,337,431</u>

30 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expenses from borrowings	22,831,809,157	18,725,124,935
Realised foreign exchange losses	3,943,263,765	12,093,212,047
Based-investment-performance fees to VinaCapital	-	6,000,000,000
	<u>26,775,072,922</u>	<u>36,818,336,982</u>

31 SELLING EXPENSES

	2023 VND	2022 VND
Staff costs	114,314,807,769	133,136,440,312
Marketing and advertising	76,120,553,061	63,699,983,310
Transportation	44,640,955,890	50,640,198,016
Rental	26,873,667,284	23,710,788,338
Repair and maintenances	15,804,468,095	16,154,822,105
Tools, supplies used	8,475,486,367	5,693,629,656
Depreciation and amortisation	8,070,740,272	8,929,921,442
Others	41,961,413,010	49,064,680,410
	<u>336,262,091,748</u>	<u>351,030,463,589</u>

32 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	38,552,000,628	49,753,035,817
Provision for doubtful debts	5,602,418,963	7,694,753,982
Professional fees	2,433,102,340	2,056,966,644
Depreciation and amortisation	1,897,727,629	2,196,059,082
Tools, supplies used	1,375,165,749	1,211,749,381
Others	44,253,960,411	30,882,348,356
	<u>94,114,375,720</u>	<u>93,794,913,262</u>

33 CORPORATE INCOME TAX (“CIT”)

The CIT tax on the Company’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND	2022 VND
Accounting profit before tax	618,334,136,292	676,734,145,756
Tax calculated at a rate of 20%	123,666,827,258	135,346,829,151
Effect of:		
Expenses not deductible for tax purposes	10,297,886,409	9,453,727,639
Incomes not subject to tax (**)	(64,600,000,000)	(58,988,000,000)
Others (***)	1,805,820,720	-
CIT charge (*)	<u>71,170,534,387</u>	<u>85,812,556,790</u>
Charged/(credited) to separate income statement:		
CIT – current	73,489,244,961	88,366,117,736
CIT – deferred (Note 22)	(2,318,710,574)	(2,553,560,946)
CIT charge	<u>71,170,534,387</u>	<u>85,812,556,790</u>

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

(**) Incomes not subject to tax during the financial year were related to profit distributed from subsidiaries.

(***) Underpaid CIT from previous financial years. In which, based on Decision No. 1221/QĐ-TCT dated 11 August 2023 issued by the Head of the General Department of Taxation, the underpaid CIT amount identified during the inspection of compliance with tax laws for the financial year ended 31 December 2022 was VND1,216,445,217.

34 COSTS OF OPERATION BY FACTOR

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

	2023	2022
	VND	VND
Raw materials	1,371,065,862,403	1,639,431,488,120
Staff costs	353,210,289,285	419,615,447,241
Outside services	179,765,490,192	153,835,982,231
Tools, supplies used	54,095,495,486	50,777,322,634
Depreciation and amortisation	45,235,186,267	48,585,352,965
Transportation	45,190,805,035	52,175,070,887
Others	136,298,187,253	127,501,610,773
	<u>2,184,861,315,921</u>	<u>2,491,922,274,851</u>

35 NON-CASH TRANSACTIONS AFFECTING THE SEPARATE CASH FLOW STATEMENT

	Year ended 31 December	
	2023	2022
	VND	VND
Issuance of shares to pay dividends to existing shareholders (Note 24 and Note 25)	149,418,240,000	438,203,480,000
Reclassification of deposit from other long-term receivables to long-term lending (Note 8(b))	142,526,415,151	-
Reclassification of deposit from other long-term receivables to short-term lending (Note 8(b))	142,526,415,160	-
Interest income from deposits not yet collected (Note 8(a) and Note 8(b))	105,172,488,593	68,790,574,235
Purchase of fixed assets and other long-term assets that have not yet been settled	4,543,819,383	-
Written-off short-term provision for doubtful debts	284,554,788	-
Dividends in cash have not yet paid (Note 24 and Note 25)	58,690,800	-
Conversion from borrowings into investment in associate	-	267,000,000,000
Reclassification trusted investment from short-term investments held to maturity to other short-term receivables	-	156,017,700,000
	<u>2,184,861,315,921</u>	<u>2,491,922,274,851</u>

36 RELATED PARTY DISCLOSURES

As at 31 December 2023 and the year then ended, the Company had balances and/or transactions with the related parties:

Related parties	Relationship
Malloca Vietnam Company Limited	Subsidiary
An Cuong Wood-Working Manufacturing Company Limited	Subsidiary
An Khang MDF Co., Ltd	Subsidiary (until 9 November 2023)
AConcept Vietnam Company Limited	Indirect subsidiary
Thang Loi Homes Joint Stock Company	Associate
NC Vietnam Investment Company Limited	Controlling shareholder
Whitlam Holding Pte. Ltd.	Major shareholder
Sumitomo Forestry (Singapore) Ltd.	Major shareholder
Trung Hieu Plywood Company Limited	Controlled by Chairman of Board of Directors's family member
Thao Nghia Thanh One-member Company Limited	Controlled by Head of Board of Supervision's family member
Sumitomo Forestry Vietnam Company Limited	Managed by Vice Chairman of Board of Directors

(a) Related party transactions

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

	2023	2022
	VND	VND
<i>i) Sales of goods and rendering of services</i>		
An Cuong Wood-Working Manufacturing Company Limited	132,002,731,754	202,227,079,206
Trung Hieu Plywood Company Limited	34,057,729,498	56,212,222,130
Malloca Vietnam Company Limited	27,325,756,504	34,238,320,853
AConcept Vietnam Company Limited	6,593,983,925	9,120,818,834
	<u>199,980,201,681</u>	<u>301,798,441,023</u>
<i>ii) Purchases of goods and services</i>		
An Cuong Wood-Working Manufacturing Company Limited	268,092,428,193	417,636,948,166
Thao Nghia Thanh One-member Company Limited	13,566,005,610	10,917,927,163
Malloca Vietnam Company Limited	13,303,382,269	19,986,299,000
Sumitomo Forestry (Singapore) Ltd.	7,953,009,743	7,432,065,037
AConcept Vietnam Company Limited	2,343,771,599	1,400,745,291
Sumitomo Forestry Vietnam Company Limited	2,154,107,591	1,698,717,435
	<u>307,412,705,005</u>	<u>459,072,702,092</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
iii) Purchases of fixed assets		
An Cuong Wood-Working Manufacturing Company Limited	28,995,000,000	-
AConcept Vietnam Company Limited	-	131,734,849
	<u>28,995,000,000</u>	<u>131,734,849</u>
iv) Sales of fixed assets		
An Cuong Wood-Working Manufacturing Company Limited	<u>1,736,000,000</u>	-
v) Investment in subsidiaries (Note 4(b))		
An Khang MDF Co., Ltd	<u>10,200,000,000</u>	-
vi) Divestment in subsidiaries (Note 4(b))		
An Khang MDF Co., Ltd	<u>10,200,000,000</u>	-
vii) Investment in associate (Note 4(b))		
Thang Loi Homes Joint Stock Company	<u>2,400,000,000</u>	<u>393,631,200,000</u>
viii) Dividend paid during the year in cash (Note 24)		
NC Vietnam Investment Company Limited	52,824,235,800	232,683,666,000
Sumitomo Forestry (Singapore) Ltd.	20,700,273,300	91,181,925,900
Whitlam Holding Pte. Ltd.	19,069,677,900	83,999,370,000
Other shareholders	12,950,655,200	57,048,628,300
	<u>105,544,842,200</u>	<u>464,913,590,200</u>
ix) Dividend paid during the year in ordinary shares (Note 24)		
NC Vietnam Investment Company Limited	74,783,340,000	219,306,000,000
Sumitomo Forestry (Singapore) Ltd.	29,305,400,000	85,939,610,000
Whitlam Holding Pte. Ltd.	26,996,970,000	79,170,000,000
Other shareholders	18,332,530,000	53,787,870,000
	<u>149,418,240,000</u>	<u>438,203,480,000</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
x) Profit distributed from (Note 29)		
An Cuong Wood-Working Manufacturing Company Limited	291,000,000,000	251,000,000,000
Malloca Vietnam Company Limited	32,000,000,000	35,000,000,000
	<u>323,000,000,000</u>	<u>286,000,000,000</u>

xi) Compensation of key management

Gross salaries and other benefits	<u>21,960,486,667</u>	<u>24,192,394,931</u>
-----------------------------------	-----------------------	-----------------------

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

No.	Full name	Title	2023 VND	2022 VND
1.	Mr. Le Duc Nghia	Chairman	-	-
2.	Mr. Masao Kamibayashiama	Vice Chairman	-	-
3.	Mr. Nguyen Minh Tuan	Member	-	-
4.	Mr. Le Thanh Phong	Member	-	-
5.	Ms. Nguyen Thi Dieu Phuong	Member	-	-
6.	Mr. Phan Quoc Cong	Independent member	-	-
7.	Mr. Nguyen Thanh Quyen	Independent member	-	-

Remuneration of Board of Supervision

No.	Full name	Title	2023 VND	2022 VND
1.	Ms. Tran Thi Ngoc Tue	Head	-	-
2.	Ms. Nguyen Thi Thuy Trang	Member (from 26/4/2023)	-	-
3.	Ms. Tran Thi Kim Anh	Member (until 25/4/2023)	-	-
4.	Ms. Mai Thi Phuong Thao	Member	-	-

36 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)****xi) Compensation of key management (continued)****Gross salaries and other benefits of Board of Management and other management**

No.	Full name	Title	2023 VND	2022 VND
1.	Ms. Vo Thi Ngoc Anh	General Director	2,307,000,000	2,336,500,000
2.	Mr. Le Thanh Phong	Deputy General Director	2,500,060,000	2,698,034,999
3.	Ms. Nguyen Thi Hao	Deputy General Director (until 25/10/2023)	1,667,000,000	2,571,399,999
4.	Ms. Nguyen Thi Kim Thoa	Deputy General Director	2,800,000,000	2,711,399,999
5.	Ms. Nguyen Thi Duyen	Deputy General Director	3,183,600,000	3,070,175,000
6.	Mr. Ngo Tan Tri	Deputy General Director	3,184,100,000	2,602,797,500
7.	Ms. Thieu Thi Ngoc Diem	Chief Accountant	2,585,000,000	2,418,441,666
8.	Ms. Tran Thi Ngoc Tue	Head of Internal control	1,745,366,667	1,599,240,768
9.	Mr. Masao Kamibayashiana	Market Development Director	1,988,360,000	2,409,555,000
10.	Mr. Tran Luong Thanh Tung	In charge of information disclosure (until 22/12/2022)	-	1,774,850,000
			<u>21,960,486,667</u>	<u>24,192,394,931</u>

(b) Year-end balances with related parties

	2023 VND	2022 VND
Investments in subsidiaries (Note 4(b))		
An Cuong Wood-Working Manufacturing Company Limited	796,600,000,000	796,600,000,000
Malloca Vietnam Company Limited	120,000,000,000	120,000,000,000
	<u>916,600,000,000</u>	<u>916,600,000,000</u>
Investment in associate (Note 4(b))		
Thang Loi Homes Joint Stock Company	<u>396,031,200,000</u>	<u>393,631,200,000</u>
Short-term trade accounts receivable (Note 5)		
An Cuong Wood-Working Manufacturing Company Limited	12,998,377,854	22,061,724,847
Trung Hieu Plywood Company Limited	5,715,974,205	8,826,856,174
Malloca Vietnam Company Limited	2,324,982,362	7,543,309,030
AConcept Vietnam Company Limited	-	624,679,512
	<u>21,039,334,421</u>	<u>39,056,569,563</u>

36 RELATED PARTY DISCLOSURES (continued)

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

	2023 VND	2022 VND
Short-term prepayments to suppliers (Note 6)		
Thao Nghia Thanh One-member Company Limited	398,940,400	3,802,046,000
Short-term trade accounts payable (Note 14)		
An Cuong Wood-Working Manufacturing Company Limited	49,703,241,189	126,479,738,673
Malloca Vietnam Company Limited	9,523,020,887	2,653,424,000
Thao Nghia Thanh One-member Company Limited	1,516,282,100	302,933,260
Sumitomo Forestry (Singapore) Ltd.	1,838,597,596	-
AConcept Vietnam Company Limited	642,105,221	2,726,335,424
Sumitomo Forestry Vietnam Company Limited	-	516,978,154
	<u>63,223,246,993</u>	<u>132,679,409,511</u>

37 OPERATING COMMITMENTS

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

	2023 VND	2022 VND
Within one year	37,850,599,772	34,311,696,811
Between one and five years	101,676,597,704	99,588,016,320
Over five years	2,404,889,230	4,126,906,065
Total minimum payments	<u>141,932,086,706</u>	<u>138,026,619,196</u>

The separate financial statements were approved by the Board of Management on 28 March 2024.



Nguyen Thi Hong Lan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Le Duc Nghia
Chairman of Board of Directors

