

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



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AN CUONG WOOD-WORKING JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 3700748131 dated 20 September 2006

The initial Business Registration Certificate No. 4602002303 dated 20 September 2006 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province. The latest Enterprise Registration Certificate No. 3700748131 dated 9 November 2021.

Board of Directors

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

Board of Management

Ms. Vo Thi Ngoc Anh	General Director (Appointed from 20.4.2021)
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 (from 9.11.2021)

Registered office

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

Auditor

PwC (Vietnam) Limited

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of An Cuong Wood-Working Joint Stock Company ("the Company") is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, "the Group") which gives a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and the results of its consolidated operations and consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 45 which gives a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of the results of its consolidated operations and consolidated 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 consolidated financial statements.

On behalf of Board of Management



[Handwritten signature in blue ink]

Võ Thị Ngọc Anh
General Director

Bình Dương, SR Vietnam
18 March 2022



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

We have audited the accompanying consolidated financial statements of An Cuong Wood-Working Joint Stock Company ("the Company") and its subsidiaries (together "the Group") which were prepared on 31 December 2021 and approved by the Board of Management on 18 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 45.

The Board of Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the consolidated 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 Group'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, its consolidated financial performance and consolidated 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 consolidated financial statements.

Other Matters

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

For and on behalf of PwC (Vietnam) Limited




Tran Thi Thanh Truc
Audit Practising Licence No:
3047-2019-006-1
Authorised signatory



Nguyen Vu Anh Tuan
Audit Practising Licence No.
3631-2021-006-1

Report reference number: HCM11564
Ho Chi Minh City, 18 March 2022

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
100	CURRENT ASSETS		3,650,800,848,248	3,588,399,748,702
110	Cash		99,169,609,256	53,239,217,833
111	Cash	3	99,169,609,256	53,239,217,833
120	Short-term investment		1,527,845,044,955	1,680,045,044,955
123	Investments held to maturity	4(a)	1,527,845,044,955	1,680,045,044,955
130	Short-term receivables		618,583,366,551	689,453,876,852
131	Short-term trade accounts receivable	5	549,583,344,234	607,079,449,113
132	Short-term prepayments to suppliers	6	47,549,408,310	32,794,536,220
136	Other short-term receivables	7(a)	40,012,513,678	60,123,992,957
137	Provision for doubtful debts – short-term	8	(18,765,339,662)	(10,661,866,893)
139	Shortage of assets awaiting resolution		203,439,991	117,765,455
140	Inventories	9	1,380,301,310,465	1,132,964,681,719
141	Inventories		1,409,876,670,599	1,151,953,993,414
149	Provision for decline in value of inventories		(29,575,360,134)	(18,989,311,695)
150	Other current assets		24,901,517,021	32,696,927,343
151	Short-term prepaid expenses	10(a)	22,007,833,088	23,747,113,791
152	Value Added Tax ("VAT") to be reclaimed		2,322,179,488	7,965,797,220
153	Tax and other receivables from the State	15(a)	571,504,445	984,016,332
200	NON-CURRENT ASSETS		1,332,118,177,476	864,717,863,998
210	Long-term receivable		322,336,513,405	5,728,730,600
216	Other long-term receivables	7(b)	322,336,513,405	5,728,730,600
220	Fixed assets		534,761,034,183	635,138,407,774
221	Tangible fixed assets	11(a)	518,159,318,784	615,103,068,586
222	Historical cost		1,020,819,135,402	1,009,655,377,117
223	Accumulated depreciation		(502,659,816,618)	(394,552,308,531)
227	Intangible fixed assets	11(b)	16,601,715,399	20,035,339,188
228	Historical cost		32,148,567,346	31,684,967,346
229	Accumulated amortisation		(15,546,851,947)	(11,649,628,158)
240	Long-term asset in progress		1,425,546,949	2,660,445,161
242	Construction in progress	12	1,425,546,949	2,660,445,161
250	Long-term investments		275,217,700,000	-
253	Investments in other entities	4(b)	119,200,000,000	-
255	Investments held to maturity	4(a)	156,017,700,000	-
260	Other long-term assets		198,377,382,939	221,190,280,463
261	Long-term prepaid expenses	10(b)	190,080,570,500	212,227,664,545
262	Deferred income tax assets	22	8,296,812,439	8,962,615,918
270	TOTAL ASSETS		4,982,919,025,724	4,453,117,612,700

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
300	LIABILITIES		1,206,120,120,534	936,426,104,376
310	Current liabilities		1,196,572,464,437	929,831,152,397
311	Short-term trade accounts payable	13	289,187,086,507	245,477,558,884
312	Short-term advances from customers	14	206,024,768,522	232,947,885,577
313	Tax and other payables to the State	15(b)	36,046,362,980	44,095,993,433
314	Payable to employees	16	58,355,659,772	72,324,084,358
315	Short-term accrued expenses	17	24,826,970,905	24,256,358,433
318	Short-term unearned revenue	2.18	1,130,344,632	1,130,344,632
319	Other short-term payables	18	11,359,884,360	1,524,645,739
320	Short-term borrowings	19	566,975,088,269	307,899,246,071
322	Bonus and welfare funds	20	2,666,298,490	175,035,270
330	Non-current liabilities		9,547,656,097	6,594,951,979
336	Long-term unearned revenue	2.18	3,014,252,347	4,144,596,979
342	Provision for long-term liabilities	21	6,533,403,750	2,450,355,000
400	OWNERS' EQUITY		3,776,798,905,190	3,516,691,508,324
410	Capital and reserves		3,776,798,905,190	3,516,691,508,324
411	Owners' capital	23, 24	876,503,440,000	876,568,440,000
411a	- Ordinary shares with voting rights		876,503,440,000	876,568,440,000
412	Share premium	24	1,419,304,688,703	1,408,471,865,056
415	Treasury shares	24	(653,230,147)	(20,046,000,000)
418	Investment and development funds	24	25,138,524,261	36,590,318,871
421	Undistributed earnings	24	1,456,505,482,373	1,215,106,884,397
421a	- Undistributed post-tax profits of previous years		1,034,544,110,211	880,369,288,195
421b	- Post-tax profits of current year		421,961,372,162	334,737,596,202
440	TOTAL RESOURCES		4,982,919,025,724	4,453,117,612,700


Tran Anh Tuan
Preparer


Thieu Thi Ngoc Diem
Chief Accountant


Vo Thi Ngoc Anh
General Director
18 March 2022

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code		Note	Year ended 31 December	
			2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services		3,312,950,679,602	3,781,468,964,050
02	Less deductions		(19,443,094,091)	(27,863,918,614)
10	Net revenue from sales of goods and rendering of services	28	3,293,507,585,511	3,753,605,045,436
11	Cost of goods sold and services rendered	29	(2,397,612,834,481)	(2,735,642,853,637)
20	Gross profit from sales of goods and rendering of services		895,894,751,030	1,017,962,191,799
21	Financial income	30	154,068,436,757	109,690,865,720
22	Financial expenses		(24,158,148,267)	(18,526,863,293)
23	- Including: Interest expense		(21,480,945,050)	(12,839,105,796)
25	Selling expenses	31	(383,770,408,773)	(442,795,174,301)
26	General and administration expenses	32	(100,092,496,584)	(107,320,377,926)
30	Net operating profit		541,942,134,163	559,010,641,999
31	Other income		5,710,976,177	9,547,504,870
32	Other expenses		(1,236,519,895)	(6,878,665,829)
40	Net other income		4,474,456,282	2,668,839,041
50	Net accounting profit before tax		546,416,590,445	561,679,481,040
51	Business income tax ("BIT") - current	33	(94,471,564,132)	(72,039,104,089)
52	BIT - deferred	33	(665,803,479)	2,337,558,451
60	Net profit after tax		451,279,222,834	491,977,935,402
61	Attributable to: Profit after tax of the parent company		451,279,222,834	491,977,935,402
70	Basic earnings per share	26(a)	4,513	5,144
71	Diluted earnings per share	26(b)	4,513	5,144



Tran Anh Tuan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Võ Thị Ngọc Anh
General Director
18 March 2022

The notes on pages 9 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		546,416,590,445	561,679,481,040
	Net accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	114,701,008,697	114,379,203,711
03	Provisions	22,772,569,958	5,014,858,388
04	Unrealised foreign exchange losses	482,783,595	524,272,349
05	Profits from investing activities	(138,917,498,442)	(97,436,509,577)
06	Interest expense	21,480,945,050	12,839,105,796
08	Operating profit before changes in working capital	566,936,399,303	597,000,411,707
09	Decrease in receivables	62,541,699,040	50,359,338,089
10	(Increase)/decrease in inventories	(257,922,677,185)	181,999,248,505
11	(Decrease)/increase in payables	(7,604,347,788)	25,744,381,994
12	Decrease in prepaid expenses	23,886,374,748	44,413,750,429
14	Interest paid	(21,480,945,050)	(12,839,105,796)
15	BIT paid	(99,254,345,077)	(55,848,532,895)
17	Other payments on operating activities	(96,937,799,090)	(28,969,062,680)
20	Net cash inflows from operating activities	170,164,358,901	801,860,429,353
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(13,088,736,894)	(23,169,159,495)
22	Proceeds from disposals of fixed assets	9,090,909	37,272,727
23	Lending and investments held to maturity	(1,873,825,530,311)	(961,000,000,000)
24	Collection of lending and investments held to maturity	1,569,500,000,000	325,200,000,000
25	Investments in other entities	(119,200,000,000)	-
27	Interest received from lendings and bank deposits	129,042,126,065	75,788,620,996
30	Net cash outflows from investing activities	(307,563,050,231)	(583,143,265,772)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	30,225,593,500	17,187,610,000
32	Payments for share returns and repurchases	(65,000,000)	(20,030,000,000)
33	Proceeds from borrowings	2,717,756,113,523	1,259,088,063,936
34	Repayments of borrowings	(2,459,665,101,043)	(1,172,129,254,438)
36	Dividends paid	(104,826,892,800)	(315,002,678,400)
40	Net cash inflows/(outflows) from financing activities	183,424,713,180	(230,886,258,902)
50	Net decrease in cash in year	46,026,021,850	(12,169,095,321)
60	Cash at beginning of year	53,239,217,833	65,461,661,002
61	Effect of foreign exchange differences	(95,630,427)	(53,347,848)
70	Cash at end of year	99,169,609,256	53,239,217,833



Tran Anh Tuan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant



Võ Thị Ngọc Anh
General Director
18 March 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 GENERAL INFORMATION OF THE GROUP

An Cuong Wood-Working Joint Stock Company (“the Company”) was established in SR Vietnam pursuant to the initial Business Registration Certificate No. 4602002303 dated 20 September 2006 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province and the latest Enterprise Registration Certificate No. 3700748131 dated 9 November 2021.

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

The principal activity of the Company and its subsidiaries (“the Group”) are 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 Group is within 12 months.

As at 31 December 2021 and 31 December 2020, the Group had two direct subsidiaries and one indirect subsidiary as follows:

Name	Location	Principal activity	31.12.2021		31.12.2020	
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
Malloca Vietnam Company Limited	Ho Chi Minh City	Trade Malloca-brand kitchen appliances	100	100	100	100
An Cuong Wood - Working Company Limited	Binh Duong Province	Manufacture and trade wooden products	100	100	100	100
AConcept Vietnam Company Limited (*)	Ho Chi Minh City	Wholesale and retail of interior and interior decoration	100	100	100	100

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

As at 31 December 2021, the Group had 2,835 employees (as at 31 December 2020: 3,033 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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

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

2.2 Fiscal year

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

2.3 Currency

The consolidated 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 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, material and other production or operating costs; and which is normally used as payment of those costs.

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

2.4 Exchange rates

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

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

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

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

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

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

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

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

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

2.6 Cash

Cash comprises cash on hand, cash in bank, and cash in transit.

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

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on the estimated loss that may arise. Bad debts are written off when identified.

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

2.8 Inventories

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

The Group applies the perpetual system for inventories.

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(b) Investments in other entities**

Investment in other entities is investment 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 year end.

(c) Provision for investments in other entities

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end.

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.

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

2.10 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 consolidated income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated/amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The principal annual rates of each asset class are as follows:

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

Land use rights with a definite useful life are recorded at historical cost and are amortised on a straight-line basis over the term from the date receiving the land use rights certificates or the signing dates of transferring contracts to the ending dates in accordance with such land use rights certificates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Disposals*

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

Construction in progress

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

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

Additionally, prepayments for land rental contracts, which became effective after 2003, are also recorded as prepaid expenses in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by Ministry of Finance and allocated using the straight-line method from 40 to 50 years in accordance with such land use right certificates.

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 purchase of goods and services.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Borrowings**

Short-term borrowings include borrowings from banks.

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

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

2.15 Accrued expenses

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

2.16 Provisions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Provision for severance allowances**

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

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

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

2.18 Unearned revenue

Unearned revenue includes short-term and long-term unearned revenues on the consolidated balance sheet. These unearned revenues recognised the amounts paid in advance for renting the factory roof of a subsidiary to install and operate the solar panels, the support system and the solar rooftop projects with 20 years starting from September 2021. The Group records unearned revenue for the future obligations that the Group has to fulfil during the first five years of the rental contracts. Unearned revenue recognised as revenue in the consolidated income statement during the year to the extent that recognition criteria have been met.

2.19 Owners' capital

Owners' capital of the Shareholders is recorded according to the actual amount contributed and is recorded according to par value of the share.

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Appropriation of profit**

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

Profit after BIT could be distributed to Shareholders after approval at General Meeting of Shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Group's funds are as below:

(a) Bonus and welfare fund

The bonus and welfare fund is appropriated from profit after tax and subject to Shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the consolidated balance sheet. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of employees' benefits, simultaneously the bonus and welfare fund were also used for expenses relating to COVID-19 prevention.

(b) Investment and development fund

Development and investment fund is appropriated from profit after tax and approved by Shareholders in the General Meeting of Shareholders. This fund is set aside for the use in expansion of its operation or in-depth investments.

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

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

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

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

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. The Group gives promotional goods to customers associated with the purchase, the Group allocates the total consideration received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(b) Revenue from rendering of services**

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated 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.

2.22 Sales deductions

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

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

2.23 Cost of goods sold and services rendered

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

2.24 Financial expenses

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

2.25 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, sale commissions, warranty charges of goods and products, maintenance charges, packaging, and transportation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 General and administration expenses**

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

2.28 Current and deferred income tax

Income taxes includes all income taxes which is based on taxable profits including profits. 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 year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

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

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

2.28 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Segment reporting**

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

2.30 Critical accounting estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting system and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Board of Management's best knowledge of current events and actions, actual results may differ from those estimates.

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 Group and that are believed to be reasonable under the circumstances.

3 CASH

	2021 VND	2020 VND
Cash on hand	599,832,678	654,260,729
Cash at bank	98,569,776,578	52,574,595,104
Cash in transit	-	10,362,000
	<u>99,169,609,256</u>	<u>53,239,217,833</u>

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

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
Term deposits	1,527,845,044,955	1,527,845,044,955	1,680,045,044,955	1,680,045,044,955
ii. Long-term				
Bonds	156,017,700,000	156,017,700,000	-	-

- (i) Short-term investments held-to-maturity as at 31 December 2021 are term deposits at commercial banks with original maturities of more than 3 months but less than 1 year and earn interest at the interest rate ranging from 5% - 7.6% per annum (as at 31 December 2020: 5% - 8% per annum). In addition, the Group has pledged VND212 billion of these investments with banks as collateral assets for the Group's short-term borrowings (Note 19).
- (ii) Long-term investments held-to-maturity as at 31 December 2021 were an entrusted investment to VinaCapital Fund Management Joint Stock Company for the investment in Corporate bonds with the remaining maturity of more than 12 months from the reporting date and earned an interest at the rate of approximate 13.8% per annum in accordance with the entrusted contract signed between the Company and VinaCapital Fund Management Joint Stock Company No. GB2021001 dated 5 February 2021. As at 31 December 2020, there were no long-term investments held-to-maturity.

(b) Investments in other entity

	2021			2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Thang Loi Real Estate Joint Stock Company	119,200,000,000	(*)	-	-	(*)	-

Pursuant to the Resolution No. 05-2021/NQ-GAC dated 15 April 2021, the Board of Directors of the Company approved the plan to buy shares of Thang Loi Group Real Estate Joint Stock Company. Accordingly, the Group owned 12.97% of the charter capital of this company.

- (*) As at 31 December 2021, the Group has not reliably determined the fair value of the investment in the above company, as its shares have not been listed on the stock exchange.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2021 VND	2020 VND
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	110,715,804,421	57,420,711,970
Others	428,970,379,253	541,562,514,838
Related parties (Note 35(b))	9,897,160,560	8,096,222,305
	<u>549,583,344,234</u>	<u>607,079,449,113</u>

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due amounting to VND25,823,843,454 and VND17,796,269,711, respectively as presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2021 VND	2020 VND
Third parties	<u>47,549,408,310</u>	<u>32,794,536,220</u>

As at 31 December 2021 and 31 December 2020, there was no third party supplier who had a balance accounting for 10% or more of the total balance of short-term prepayments to suppliers.

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

	2021 VND	2020 VND
Interest income	31,374,193,230	53,241,618,056
Deposits	7,092,183,863	6,194,564,385
Advances to employees	1,411,780,131	439,540,246
Others	134,356,454	248,270,270
	<u>40,012,513,678</u>	<u>60,123,992,957</u>

7 OTHER RECEIVABLES (continued)

(b) Long-term

	2021 VND	2020 VND
Deposits (*)	285,052,830,311	-
Interest receivables (Note 30)	31,733,706,294	-
Long-term deposits	5,549,976,800	5,728,730,600
	<u>322,336,513,405</u>	<u>5,728,730,600</u>

- (*) According to the Resolution No. 01-2021/NQ-GAC dated 11 January 2021 of the Board of Directors, the Group signed the buying option agreements for real estates of the Novaworld Phan Thiet project. Accordingly, the Group deposited VND285,052,830,311 in the first 6 months of 2021. In addition, according to the above agreements, the Group can exercise the real estate buying option in March 2023. In case the Group does not exercise the buying option, the Group will receive the entire deposits, together with the interest income calculated at the interest rate of 13%/annum from the date of the Group deposited. Accordingly, the Group accrued above interest in the consolidated financial statements for the year ended 31 December 2021 pursuant to choosing not to exercise the buying option for real estate of NovaworldPhan Thiet project.

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8 DOUBTFUL DEBTS

	2021				2020			
	Cost VND	Recoverable amount VND	Provision VND	Overdue	Cost VND	Recoverable amount VND	Provision VND	Overdue
Receivables that were past due								
Long Giang Investment and Urban Development Joint Stock Company	5,735,808,302	241,525,539	5,494,282,763	Over 2 year				
An Gia Hung Investment Construction Joint Stock Company	5,162,064,567	1,575,821,482	3,586,243,085	Over 2 years				
Hung Long Phat Investment and Construction Joint Stock Company	1,702,657,460	-	1,702,657,460	Over 2 years				
Others	9,112,532,586	3,860,800,355	7,982,156,354	Over 6 months				
	<u>21,713,062,915</u>	<u>5,678,147,376</u>	<u>18,765,339,662</u>					
Receivables that were past due								
An Gia Hung Investment Construction Joint Stock Company	5,362,064,567	2,708,234,393	2,653,830,174	Over 1 year				
Hung Long Phat Investment and Construction Joint Stock Company	2,129,404,220	638,821,266	1,490,582,954	Over 1 year				
China Construction Corporation Ltd.	1,661,386,057	618,415,817	1,042,970,240	Over 2 years				
Others	8,643,414,867	3,168,931,342	5,474,483,525	Over 6 months				
	<u>17,796,269,711</u>	<u>7,134,402,818</u>	<u>10,661,866,893</u>					

9 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	645,187,320,053	(10,837,133,507)	500,751,379,034	(6,974,081,401)
Finished goods	262,604,133,943	(7,129,120,735)	199,291,673,583	(4,937,545,427)
Work in progress	219,733,748,906	(9,962,248,945)	216,922,334,759	(5,525,851,024)
Merchandise	214,413,955,171	(1,646,856,947)	184,451,960,423	(1,551,833,843)
Goods in transit	67,937,512,526	-	50,536,645,615	-
	<u>1,409,876,670,599</u>	<u>(29,575,360,134)</u>	<u>1,151,953,993,414</u>	<u>(18,989,311,695)</u>

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

	2021 VND	2020 VND
Beginning of year	18,989,311,695	14,001,262,242
Increase (Note 29)	10,586,048,439	4,988,049,453
End of year	<u>29,575,360,134</u>	<u>18,989,311,695</u>

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

	2021 VND	2020 VND
Tools and supplies	6,509,339,745	8,207,112,029
Showroom and samples	2,887,226,915	3,832,770,290
Advertising	4,387,837,446	2,405,203,675
Insurance	3,654,896,210	1,293,796,844
Rental	657,731,830	957,502,730
Others	3,910,800,942	7,050,728,223
	<u>22,007,833,088</u>	<u>23,747,113,791</u>

10 PREPAID EXPENSES (continued)

(b) Long-term

	2021 VND	2020 VND
Land rental (*)	166,619,048,110	171,341,842,639
Office and factory renovation	10,187,849,775	15,520,822,379
Tools and supplies	8,459,188,700	18,361,008,555
Rental	2,048,043,527	2,094,153,325
Others	2,766,440,388	4,909,837,647
	<u>190,080,570,500</u>	<u>212,227,664,545</u>

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

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

	2021 VND	2020 VND
Beginning of year	212,227,664,545	253,407,953,245
Increase	17,689,106,871	12,794,013,440
Allocation during the year	(39,836,200,916)	(53,974,302,140)
End of year	<u>190,080,570,500</u>	<u>212,227,664,545</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	340,539,701,857	512,652,662,981	117,194,443,344	13,797,407,723	25,471,161,212	1,009,655,377,117
New purchases	-	5,051,610,695	4,519,281,819	219,150,000	-	9,790,042,514
Transfers from construction in progress (Note 12)	-	4,069,992,592	-	-	-	4,069,992,592
Disposals	-	(1,465,635,462)	(625,804,546)	(217,180,909)	(387,655,904)	(2,696,276,821)
As at 31 December 2021	340,539,701,857	520,308,630,806	121,087,920,617	13,799,376,814	25,083,505,308	1,020,819,135,402
Accumulated depreciation						
As at 1 January 2021	110,853,897,957	199,566,913,446	54,151,281,746	9,346,141,121	20,634,074,261	394,552,308,531
Charge for the year	33,100,532,502	59,637,361,910	14,158,673,281	2,453,708,681	1,453,508,534	110,803,784,908
Disposals	-	(1,465,635,462)	(625,804,546)	(217,180,909)	(387,655,904)	(2,696,276,821)
As at 31 December 2021	143,954,430,459	257,738,639,894	67,684,150,481	11,582,668,893	21,699,926,891	502,659,816,618
Net book value						
As at 1 January 2021	229,685,803,900	313,085,749,535	63,043,161,598	4,451,266,602	4,837,086,951	615,103,068,586
As at 31 December 2021	196,585,271,398	262,569,990,912	53,403,770,136	2,216,707,921	3,383,578,417	518,159,318,784

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 December 2021 was VND45 billion (as at 31 December 2020: VND182 billion) were VND31.2 billion)

As at 31 December 2021, tangible fixed assets with a carrying value of VND165 billion (as at 31 December 2020: VND182 billion) were pledged with banks as security for short-term borrowings granted to the Group (Note 19).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2021	8,090,909,091	23,594,058,255	31,684,967,346
Transferred from construction in progress (Note 12)	-	463,600,000	463,600,000
As at 31 December 2021	8,090,909,091	24,057,658,255	32,148,567,346
Accumulated amortisation			
As at 1 January 2021	1,399,806,148	10,249,822,010	11,649,628,158
Charge for the year	221,804,518	3,675,419,271	3,897,223,789
As at 31 December 2021	1,621,610,666	13,925,241,281	15,546,851,947
Net book value			
As at 1 January 2021	6,691,102,943	13,344,236,245	20,035,339,188
As at 31 December 2021	6,469,298,425	10,132,416,974	16,601,715,399

Historical cost of intangible fixed assets fully amortised but still in use as at 31 December 2021 was VND499 million (as at 31 December 2020: VND299 million).

As at 31 December 2021, intangible fixed assets with a carrying value of VND6.5 billion (as at 31 December 2020: VND6.7 billion) were pledged with banks as security for short-term borrowings granted to the Group (Note 19).

12 CONSTRUCTIONS IN PROGRESS

	2021 VND	2020 VND
Office renovation	289,317,394	508,363,719
Machinery and equipment	1,136,229,555	2,152,081,442
	1,425,546,949	2,660,445,161

12 CONSTRUCTIONS IN PROGRESS (continued)

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

	2020 VND	2020 VND
Beginning of year	2,660,445,161	1,284,804,836
Increase during the year	3,298,694,380	1,497,067,740
Transferred to prepaid expenses	-	(121,427,415)
Transfer to tangible fixed assets (Note 11(a))	(4,069,992,592)	-
Transfer to intangible fixed assets (Note 11(b))	(463,600,000)	-
End of year	<u>1,425,546,949</u>	<u>2,660,445,161</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021 VND	2020 VND
Third parties		
Vina Eco Board Limited	43,186,580,407	32,536,089,429
Others	246,000,506,100	212,941,469,455
	<u>289,187,086,507</u>	<u>245,477,558,884</u>

As at 31 December 2021 and 31 December 2020, there was no balance of short-term trade accounts payable that was past due.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2021 VND	2020 VND
Third parties		
Conglom Inc.	27,039,125,984	18,115,355,301
Others	177,985,642,538	214,832,530,276
	<u>205,024,768,522</u>	<u>232,947,885,577</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 were as follows:

	As at 1.1.2021 VND	Receivable during the year VND	Received during the year VND	As at 31.12.2021 VND
a) Receivables				
Import tax to be reclaimed	741,756,164	713,376,402	(937,054,666)	518,077,900
Personal income tax	6,908,973	-	(5,887,793)	1,021,180
VAT on importation	232,673,447	7,867,462	(240,540,909)	-
Others	2,677,748	1,140,380,085	(1,090,652,468)	52,405,365
	<u>984,016,332</u>	<u>1,861,623,949</u>	<u>(2,274,135,836)</u>	<u>571,504,445</u>
b) Payables				
VAT	9,690,458,315	122,656,212,433	(123,443,267,533)	8,903,403,215
BIT	29,424,472,901	94,471,564,132	(99,254,345,077)	24,641,691,956
Personal income tax	4,967,063,965	12,176,083,372	(14,655,877,780)	2,487,269,557
Import tax	13,998,252	19,616,773,050	(19,616,773,050)	13,998,252
Others	-	715,197,342	(715,197,342)	-
	<u>44,095,993,433</u>	<u>249,635,830,329</u>	<u>(257,685,460,782)</u>	<u>36,046,362,980</u>

16 PAYABLES TO EMPLOYEES

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

17 SHORT-TERM ACCRUED EXPENSES

	2021 VND	2020 VND
Bonus to employees	19,851,116,334	15,424,930,560
Advertising	368,536,028	48,000,000
Others	4,607,318,543	8,783,427,873
	<u>24,826,970,905</u>	<u>24,256,358,433</u>

18 OTHER SHORT-TERM PÂYABLES

	2021 VND	2020 VND
Social insurance	9,782,939,000	-
Other	1,576,945,360	1,524,645,739
	<u>11,359,884,360</u>	<u>1,524,645,739</u>

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19 SHORT-TERM BORROWINGS

	As at 1.1.2021 VND	Increase VND	Decrease VND	Revaluation VND	As at 31.12.2021 VND
Bank loans (*) Related party (Note 35)	307,899,246,071	2,615,756,113,523 102,000,000,000	(2,357,665,101,043) (102,000,000,000)	984,829,718	566,975,088,269
	<u>307,899,246,071</u>	<u>2,717,756,113,523</u>	<u>(2,459,665,101,043)</u>	<u>984,829,718</u>	<u>566,975,088,269</u>

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

	Currency	As at 31.12.2021 VND	Term Months	Due date	Interest (% per annum)	Collateral
Joint Stock Commercial Bank Foreign Trade of Vietnam ("Vietcombank")	VND	255,288,941,776	4 - 6	30.06.2022	4.4	Bank deposit contract at VietinBank with the value of VND122 billion and with the value of VND40 billion.
Shinhan Bank Vietnam Limited ("Shinhan Bank")	USD	22,871,436,387	6	17.06.2022	2.1	
	VND	142,723,338,581	6	24.06.2022	3.99	Term deposit account owned by the Company with amount VND50 billion.
	USD	32,727,619,140	6	27.06.2022	2.08	
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	VND	39,527,676,992	3	30.04.2022	4.5 - 4.6	Subrogation of the Company; land use rights and assets belonged to land lots No. 441 and No. 820 located in Binh Duong Province, machineries and equipment.
	USD	73,836,075,393	3	30.04.2022	2.35	
		<u>566,975,088,269</u>				

20 BONUS AND WELFARE FUNDS

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

	2021 VND	2020 VND
Beginning of year	175,035,270	8,653,100,000
Increase (Note 24)	99,429,062,310	24,319,110,144
Decrease	(96,937,799,090)	(32,797,174,874)
End of year	<u>2,666,298,490</u>	<u>175,035,270</u>

21 PROVISION FOR LONG-TERM LIABILITIES

The balances represent provision for severance allowances which are determined based on the method disclosed in Note 2.18 and provision for dismantling cost.

22 DEFERRED TAX ASSETS

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

	2021 VND	2020 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	1,125,587,243	490,071,000
Deferred tax assets to be recovered within 12 months	7,171,225,196	8,472,544,918
	<u>8,296,812,439</u>	<u>8,962,615,918</u>

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

	2021 VND	2020 VND
Beginning of period/year	8,962,615,918	6,625,057,467
Income statement credit (Note 33)	(665,803,479)	2,337,558,451
End of year	<u>8,296,812,439</u>	<u>8,962,615,918</u>

22 DEFERRED TAX ASSETS (continued)

Details of deferred tax assets:

	2021 VND	2020 VND
Deductible temporary differences	<u>8,296,812,439</u>	<u>8,962,615,918</u>

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

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

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

	2021	31.12.2020
Number of shares registered	<u>87,650,344</u>	<u>87,656,844</u>
Number of shares issued	87,650,344	87,656,844
Number of shares repurchased	(9,600)	(294,600)
Number of existing shares in circulation	<u>87,640,744</u>	<u>87,362,244</u>

(b) Details of owners' shareholding

	31.12.2021		31.12.2020	
	Ordinary shares	%	Ordinary shares	%
NC Viet Nam Investment Ltd.	43,861,200	50.04	43,861,200	50.04
Sumimoto Forestry (Singapore) Ltd.	17,187,922	19.61	17,187,922	19.61
Whitlam Holding Pte. Ltd.	15,834,000	18.06	15,834,000	18.06
Others	10,767,222	12.29	10,773,722	12.29
	<u>87,650,344</u>	<u>100.00</u>	<u>87,656,844</u>	<u>100.00</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 2020	85,936,483	859,380,830,000	(16,000,000)	859,364,830,000
New shares issued (Note 24)	1,718,761	17,187,610,000	-	17,187,610,000
Repurchased treasury shares (Note 24)	(293,000)	-	(20,030,000,000)	(20,030,000,000)
As at 31 December 2020	87,362,244	876,568,440,000	(20,046,000,000)	856,522,440,000
Repurchased treasury shares (Note 24)	(6,500)	-	(65,000,000)	(65,000,000)
Decrease during the year (Note 24)	-	(65,000,000)	65,000,000	-
Sold treasury shares	285,000	-	19,392,769,853	19,392,769,853
As at 31 December 2021	87,640,744	876,503,440,000	(653,230,147)	875,850,209,853

Par value per share: VND10,000.

The Group has no preferred shares.

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Development and investment fund VND	Undistributed earnings VND	Total VND
As at 1 January 2020	859,380,830,000	1,408,471,865,056	(16,000,000)	22,829,452,785	1,080,042,203,625	3,370,708,351,466
Capital increased during the year (Note 23)	17,187,610,000	-	-	-	-	17,187,610,000
Dividends paid	-	-	-	-	(315,002,678,400)	(315,002,678,400)
Net profit for the year	-	-	-	-	491,977,935,402	491,977,935,402
Appropriation to the investment and development fund	-	-	-	14,591,466,086	(14,591,466,086)	-
Appropriation to the bonus and welfare fund	-	-	-	-	(24,319,110,144)	(24,319,110,144)
Treasury shares	-	-	(20,030,000,000)	-	-	(20,030,000,000)
Others	-	-	-	(830,600,000)	(3,000,000,000)	(3,830,600,000)
As at 31 December 2020	876,568,440,000	1,408,471,865,056	(20,046,000,000)	36,590,318,871	1,215,106,884,397	3,516,691,508,324
Net profit for the year	-	-	-	-	451,279,222,834	451,279,222,834
Dividends paid (i)	-	-	-	-	(104,826,892,800)	(104,826,892,800)
Appropriation to the investment and development fund (ii)	-	-	-	40,214,669,748	(40,214,669,748)	-
Appropriation to the bonus and welfare fund (ii)	-	-	-	-	(59,839,062,310)	(59,839,062,310)
Appropriation to the Charity Funds (Note 18) (ii)	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Repurchased treasury shares (iii)	-	-	(65,000,000)	-	-	(65,000,000)
Cancel treasury shares (iii)	(65,000,000)	-	65,000,000	-	-	-
Transfer to bonus and welfare fund (iv)	-	-	-	(39,590,000,000)	-	(39,590,000,000)
Sold treasury shares (v)	-	10,832,823,647	19,392,769,853	-	-	30,225,593,500
Others	-	-	-	(12,076,464,358)	-	(12,076,464,358)
As at 31 December 2021	876,503,440,000	1,419,304,688,703	(653,230,147)	25,138,524,261	1,456,505,482,373	3,776,798,905,190

24 MOVEMENTS IN OWNERS' EQUITY (continued)

- (i) Pursuant to the Resolution of the Annual General Meetings of Shareholders No. 07/2021/NQ-GAC dated 20 May 2021, the General Meeting of Shareholders approved the second dividend payment of 2020 in cash at the rate of 12% at par value of share for each payment.
- (ii) Pursuant to the Resolution of the Annual General Meeting of Shareholders No. 07/2021/NQ-GAC dated 20 May 2021 and the Resolution of the 2021 extraordinary General Meeting of Shareholders No.12-2021/NQ-GAC dated 22 November 2021, the General Meeting of Shareholders approved the appropriation of charity funds amounting to VND5,000,000,000 from profit after tax, appropriation of development and investment fund at the rate of 3% and appropriation of bonus and welfare fund at the rate of 5% on profit after tax in accordance with the audited consolidated financial statements of the Group as at 31 December 2020 and the reviewed consolidated financial statements of the Group for the 6-months period ended 30 June 2021.
- (iii) Pursuant to the Decision No. 154-2021/QĐ-GAC dated 13 January 2021, the Group repurchased 6,500 shares from the employees of the Group at the price of VND10,000 per share. According to Resolution of the Annual General Meetings of Shareholders No. 07A/2021/NQ-GAC dated 20 May 2021, the General Meeting of Shareholders approved to reduce the Company's charter capital by an amount of VND65,000,000 corresponding to 6,500 shares that were bought back from employees.
- (iv) In 2021, the Board of Directors approved the transfer of a portion of the development and investment fund to the bonus and welfare fund to pay for expenses relating to the COVID-19 prevention in accordance with the Resolution of the 2021 extraordinary General Meeting of Shareholders No.12-2021/NQ-GAC dated 22 November 2021.
- (v) In 2021, the Company sold 285,000 treasury shares bought back in 2020 to the market in accordance with the Decision of the Board of Directors No. 96-2021/QĐ-GAC dated 14 September 2021.

25 DIVIDENDS

	2021 VND	2020 VND
Beginning of year	-	-
Increase (Note 24)	104,826,892,800	315,002,678,400
Decrease	(104,826,892,800)	(315,002,678,400)
End of year	<u>-</u>	<u>-</u>

26 EARNINGS PER SHARE**(a) Basic earnings per share**

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

26 EARNINGS PER SHARE (continued)**(a) Basic earnings per share (continued)**

The details were as follows:

	For the year ended	
	31.12.2021	31.12.2020 (**)
Net profit attributable to shareholders (VND)	451,279,222,834	491,977,935,402
Less amount allocated to bonus and welfare funds (VND) (*)	(56,753,648,630)	(42,675,413,680)
	<u>394,525,574,204</u>	<u>449,302,521,722</u>
Weighted average number of ordinary shares in issue (shares)	87,413,136	87,345,614
Basic earnings per share (VND)	<u>4,513</u>	<u>5,144</u>

(*) For the year ended as at 31 December 2021, the Group has appropriated the bonus and welfare funds in accordance with the Resolution of the 2021 extraordinary General Meeting of Shareholders No.12-2021/NQ-GAC dated 22 November 2021.

(**) Basic earnings per share of the year 2020 were recalculated as per Circular 200/2014/TT-BTC dated 20 December 2014 issued by Ministry of Finance as follows:

	For the year ended 31.12.2020		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	491,977,935,402	(42,675,413,680)	449,302,521,722
Weighted average number of ordinary shares in issue (shares)	87,345,614	-	87,345,614
Basic earnings per share (VND)	<u>5,633</u>		<u>5,144</u>

(b) Diluted earnings per share

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

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

As at 31 December 2021, included in cash are balances held in foreign currencies of US\$97,120 and EUR7,561 (as at 31 December 2020: US\$195,569 and EUR1,818).

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating assets leases are presented in Note 36.

28 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES

	2021 VND	2020 VND
Revenue		
Revenue from sales of goods and finished goods	3,292,751,656,168	3,772,530,601,503
Revenue from rendering of services	20,199,023,434	8,938,362,547
	<u>3,312,950,679,602</u>	<u>3,781,468,964,050</u>
Sales deductions		
Sales returns	(9,906,477,914)	(18,749,169,949)
Trade discounts	(9,408,276,177)	(9,090,644,565)
Sales allowances	(128,340,000)	(24,104,100)
	<u>(19,443,094,091)</u>	<u>(27,863,918,614)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of goods and finished goods	3,273,308,562,077	3,744,666,682,889
Net revenue from rendering of services	20,199,023,434	8,938,362,547
	<u>3,293,507,585,511</u>	<u>3,753,605,045,436</u>

29 COST OF GOODS SOLD AND SERVICES RENDERED

	2021 VND	2020 VND
Cost of finished goods sold	2,378,309,634,571	2,724,717,935,440
Cost of services rendered	4,717,151,471	5,936,868,744
Provision for decline in value of inventories (Note 9)	10,586,048,439	4,988,049,453
Provision for dismantling cost	4,000,000,000	-
	<u>2,397,612,834,481</u>	<u>2,735,642,853,637</u>

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30 FINANCIAL INCOMES

	2021 VND	2020 VND
Interest income from bank deposits	87,946,953,295	97,477,653,481
Interest income from deposits (Note 7(b))	31,733,706,294	-
Interest income from bonds	19,227,747,944	-
Realised gain	15,160,029,224	12,213,212,239
	<u>154,068,436,757</u>	<u>109,690,865,720</u>

32 SELLING EXPENSES

	2021 VND	2020 VND
Staff costs	160,571,768,848	178,443,302,411
Marketing and advertising	60,147,816,247	70,859,611,844
Transportation	46,777,042,792	57,317,286,922
Rental	31,193,807,045	29,661,686,635
Repair and maintenances	20,149,039,103	19,455,801,780
Depreciation and amortisation	14,810,679,636	15,212,480,356
Tools and supplies	10,415,798,398	12,650,173,152
Others	39,704,456,704	59,194,831,201
	<u>383,770,408,773</u>	<u>442,795,174,301</u>

32 GENERAL AND ADMINISTRATION EXPENSES

	2021 VND	2020 VND
Staff costs	57,177,494,879	62,513,171,153
Depreciation and amortisation	4,466,490,808	4,694,199,261
Provision for doubtful debts	8,103,472,769	2,062,141,370
Tools and supplies	1,583,202,420	2,597,415,990
Professional fees	2,470,737,223	1,865,337,228
Others	26,291,098,485	33,588,112,924
	<u>100,092,496,584</u>	<u>107,320,377,926</u>

33 BIT

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

	2021 VND	2020 VND
Net accounting profit before tax	546,416,590,445	561,679,481,040
Tax calculated at a rate of 20%	109,283,318,089	112,335,896,208
Effect of:		
Expenses not deductible for tax purposes	8,692,852,902	10,773,645,136
Income not subject to tax	(22,887,217,550)	(53,498,953,490)
Under-provision in previous years	48,414,170	90,957,784
BIT (*)	<u>95,137,367,611</u>	<u>69,701,545,638</u>
Charged/(credited) to consolidated interim income statement:		
BIT – current	94,471,564,132	72,039,104,089
BIT – deferred (Note 22)	665,803,479	(2,337,558,451)
	<u>95,137,367,611</u>	<u>69,701,545,638</u>

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

34 COST OF OPERATION BY FACTOR

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

	2021 VND	2020 VND
Raw materials	1,698,287,651,307	2,432,423,682,361
Staff costs	480,742,900,260	565,605,808,259
Depreciation and amortisation	114,701,008,697	114,379,203,711
Outside services	189,828,715,122	258,932,020,173
Tools and supplies	84,549,911,904	87,663,951,214
Transportation	47,318,065,526	55,352,468,868
Others	130,495,218,198	145,915,506,213
	<u>2,745,923,471,014</u>	<u>3,660,272,640,799</u>

35 RELATED PARTY DISCLOSURES

As at 31 December 2021 and the year then ended, the Group had balances and/or transactions with the related parties:

Related parties	Relationship
NC Vietnam Investment Company Limited	Controlling shareholder
Whitlam Holding Pte. Ltd.	Major shareholder
Sumitomo Forestry (Singapore) Ltd.	Major shareholder
Trung Hieu Plywood Company Limited	Controlled by Chairman's family member
Le Duc Nghia	Chairman
Vo Thi Ngoc Anh	General Director
Nguyen Thi Kim Thoa	Deputy General Director

(a) Related party transactions

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

	<u>2021</u> VND	<u>2020</u> VND
<i>i) Sales of goods</i>		
Trung Hieu Plywood Company Limited	<u>52,726,274,803</u>	<u>61,113,129,812</u>
<i>ii) Borrowing drawdown (Note 19)</i>		
Le Duc Nghia	<u>102,000,000,000</u>	<u>-</u>
<i>iii) Repayment of borrowings (Note 19)</i>		
Le Duc Nghia	<u>102,000,000,000</u>	<u>-</u>
<i>iv) Interest expense</i>		
Le Duc Nghia	<u>425,654,794</u>	<u>-</u>

35 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2021 VND	2020 VND
<i>v) Lendings and collection of loans</i>		
Nguyen Thi Kim Thoa	5,450,000,000	-
Vo Thi Ngoc Anh	5,340,000,000	-
	<u>10,790,000,000</u>	<u>-</u>
<i>vi) Dividend paid during the year</i>		
NC Vietnam Investment Ltd.	52,633,440,000	157,900,320,000
Sumitomo Forestry (Singapore) Ltd	20,625,506,400	61,876,519,200
Withlam Holding Pte Ltd.	19,000,800,000	57,002,400,000
	<u>92,259,746,400</u>	<u>376,779,239,200</u>
<i>vii) Interest income from lendings</i>		
Nguyen Thi Kim Thoa	84,916,767	-
Vo Thi Ngoc Anh	83,195,836	-
	<u>168,112,603</u>	<u>-</u>
<i>viii) Compensation of key management</i>		
Gross salaries and other benefits	<u>20,808,075,386</u>	<u>24,195,548,846</u>
In which:		
General Director	1,928,426,154	2,925,000,000
Other key management	<u>18,879,649,232</u>	<u>21,270,548,846</u>

35 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2021 VND	2020 VND
<i>Short-term trade accounts receivable (Note 5)</i>		
Trung Hieu Plywood Company Limited	9,897,160,560	8,096,222,305

36 OPERATING LEASE COMMITMENTS

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

	2021 VND	2020 VND
Within one year	36,684,263,553	36,210,000,507
Between one and five years	74,837,443,552	65,750,230,117
Over five years	20,200,420,062	30,123,482,399
Total minimum payments	131,722,127,167	132,083,713,023

37 SEGMENT REPORTING

Business activity segments

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

Geographical segments

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

	2021		Total VND
	Domestic VND	Oversea VND	
Net revenue from sales of goods	2,785,078,781,595	508,428,803,916	3,293,507,585,511
Cost of goods sold	1,921,461,074,020	476,151,760,461	2,397,612,834,481
Gross profit from sales of goods	863,617,707,575	32,277,043,455	895,894,751,030
Total costs incurred to purchase and construct fixed assets according to the location of the asset	13,099,136,894	-	13,099,136,894
Total carrying amount of the segment assets by geographic area of the asset	534,761,034,183	-	534,761,034,183

37 SEGMENT REPORTING (continued)

Geographical segments (continued)

	2020		Total VND
	Dosmetic VND	Oversea VND	
Net revenue from sales of goods	3,292,311,414,848	461,293,630,588	3,753,605,045,436
Cost of sales	2,317,775,586,935	417,867,266,702	2,735,642,853,637
Gross profit	974,535,827,913	43,426,363,886	1,017,962,191,799
Total costs incurred to purchase and construct fixed assets according to the location of the asset	23,169,159,495	-	23,169,159,495
Total carrying amount of the segment assets by geographic area of the asset	635,138,407,774	-	635,138,407,774

38 SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

According to the Resolution of the Extraordinary General Meeting of Shareholders No. 12-2021/BBH-GAC dated 22 November 2021 and the Notice No. 07-2022/TB-GAC dated 18 February 2022 by An Cuong Wood-Working Joint Stock Company, the Group announced that it would offer 4,382,037 shares at par value of VND 10,000/share to its existing shareholders from 21 March 2022 to 15 April 2022 in accordance with the method of exercising the rights at the date of finalising the list of shareholders. This offering of shares to existing shareholders has been approved by the State Securities Commission pursuant to the Certificate of Public Offering Registration No. 21/GCN-UBCK dated 14 February 2022. Accordingly, the Group is expected to increase its charter capital by VND 43,820,370,000 from the offering of the above shares.

The consolidated financial statements were approved by the Board of Management on 18 March 2022.



Tran Anh Tuan
Preparer



Thieu Thi Ngoc Diem
Chief Accountant




Vo Thi Ngoc Anh
General Director