

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

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR QUARTER I 2024**

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FOR QUARTER I 2024**

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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 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. Nguyen Thanh Quyen	Independent Member
Mr. Phan Quoc Cong	Independent Member

### Board of Management

Ms. Vo Thi Ngoc Anh	General Director
Mr. Le Thanh Phong	Deputy General Director
Ms. Nguyen Thi 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
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 plot No. 681, Map No. 5, DT 747B Street, Phuoc Hai Town, Thai Hoa Ward, Tan Uyen City, Binh Duong Province, Viet Nam.

## AN CUONG WOOD-WORKING JOINT STOCK COMPANY

### STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of An Cuong Wood-Working Joint Stock Company (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and the results of its consolidated operations and consolidated cash flows for Quarter I 2024 then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

#### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby, approve the accompanying consolidated financial statements as set out on pages 3 to 43 which give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of the results of its consolidated operations and consolidated cash flows for Quarter I 2024 in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



  
Vo Thi Ngoc Anh  
General Director

Binh Duong, SR Vietnam  
24 April 2024

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31.3.2024 VND	31.12.2023 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>4,384,818,585,454</b>	<b>4,131,503,386,110</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>31,237,816,308</b>	<b>66,882,261,518</b>
111	Cash		30,237,816,308	66,882,261,518
112	Cash equivalents		1,000,000,000	-
<b>120</b>	<b>Short-term investments</b>		<b>2,135,500,000,000</b>	<b>1,834,500,000,000</b>
123	Investments held to maturity	4(a)	2,135,500,000,000	1,834,500,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>933,335,420,099</b>	<b>1,078,715,271,161</b>
131	Short-term trade accounts receivable	5	554,886,966,726	723,795,484,707
132	Short-term prepayments to suppliers	6	26,929,190,133	18,994,795,117
135	Short-term lending	7(a)	115,501,132,127	115,551,132,127
136	Other short-term receivables	8(a)	292,896,424,690	277,092,053,954
137	Provision for doubtful debts – short term	9	(57,347,321,245)	(57,118,073,641)
139	Shortage of assets awaiting resolution		469,027,668	399,878,897
<b>140</b>	<b>Inventories</b>	10	<b>1,256,209,096,799</b>	<b>1,134,504,136,989</b>
141	Inventories		1,295,083,599,745	1,170,522,474,357
149	Provision for decline in value of inventories		(38,874,502,946)	(36,018,337,368)
<b>150</b>	<b>Other current assets</b>		<b>28,536,252,248</b>	<b>16,901,716,442</b>
151	Short-term prepaid expenses	11(a)	22,847,553,278	14,935,644,627
152	Value added tax ("VAT") to be reclaimed	16(a)	5,463,038,659	1,786,084,549
153	Tax and other receivables from the State		225,660,311	179,987,266
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>1,315,491,429,327</b>	<b>1,390,580,649,441</b>
<b>210</b>	<b>Long-term receivables</b>		<b>177,608,153,929</b>	<b>164,948,393,611</b>
211	Long-term trade accounts receivable		6,397,816,281	-
215	Long-term lending	7(b)	142,526,415,151	142,526,415,151
216	Other long-term receivables	8(b)	28,683,922,497	22,421,978,460
<b>220</b>	<b>Fixed assets</b>		<b>414,948,542,466</b>	<b>404,977,442,045</b>
221	Tangible fixed assets	12(a)	387,278,373,946	393,162,446,484
222	Historical cost		1,090,579,029,745	1,072,429,376,434
223	Accumulated depreciation		(703,300,655,799)	(679,266,929,950)
227	Intangible fixed assets	12(b)	27,670,168,520	11,814,995,561
228	Historical cost		51,859,870,136	34,504,878,488
229	Accumulated amortisation		(24,189,701,616)	(22,689,882,927)
<b>240</b>	<b>Long-term asset in progress</b>		<b>5,269,872,549</b>	<b>21,542,045,902</b>
242	Construction in progress	13	5,269,872,549	21,542,045,902
<b>250</b>	<b>Long-term investments</b>		<b>525,080,434,733</b>	<b>601,080,434,733</b>
252	Investments in associates	4(b)	405,880,434,733	405,880,434,733
253	Investments in other entity	4(b)	119,200,000,000	119,200,000,000
255	Investments held to maturity	4(a)	-	76,000,000,000
<b>260</b>	<b>Other long-term assets</b>		<b>192,584,425,650</b>	<b>198,032,333,150</b>
261	Long-term prepaid expenses	11(b)	183,893,660,848	187,035,283,084
262	Deferred income tax assets	23	8,690,764,802	10,997,050,066
<b>270</b>	<b>TOTAL ASSETS</b>		<b>5,700,310,014,781</b>	<b>5,522,084,035,551</b>

The notes on pages 7 to 43 are an integral part of these consolidated financial statements.

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

Code	RESOURCES	Note	As at	
			31.3.2024 VND	31.12.2023 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,445,620,683,029</b>	<b>1,348,528,134,560</b>
<b>310</b>	<b>Current liabilities</b>		<b>1,429,699,861,118</b>	<b>1,333,507,312,650</b>
311	Short-term trade accounts payable	14	268,409,795,154	263,320,000,996
312	Short-term advances from customers	15	114,474,752,966	174,455,445,430
313	Tax and other payables to the State	16(b)	19,028,709,503	66,381,511,717
314	Payables to employees	17	15,388,997,467	72,997,981,546
315	Short-term accrued expenses	18	34,692,596,531	22,405,996,833
318	Short-term unearned revenue		1,050,346,013	1,403,071,904
319	Other short-term payables	19	2,876,057,904	2,303,046,251
320	Short-term borrowings	21	953,161,538,412	706,566,540,805
322	Bonus and welfare funds	20	20,617,067,168	23,673,717,168
<b>330</b>	<b>Non-current liabilities</b>		<b>15,920,821,911</b>	<b>15,020,821,910</b>
336	Long-term unearned revenue		753,563,084	753,563,083
342	Provision for long-term liabilities	22	15,167,258,827	14,267,258,827
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>4,254,689,331,752</b>	<b>4,173,555,900,991</b>
<b>410</b>	<b>Capital and reserves</b>		<b>4,254,689,331,752</b>	<b>4,173,555,900,991</b>
411	Owners' capital	24, 25	1,507,879,460,000	1,507,879,460,000
411a	- Ordinary shares with voting rights		1,507,879,460,000	1,507,879,460,000
412	Share premium	25	1,418,741,358,556	1,418,741,358,556
418	Investment and development funds	25	35,216,469,967	35,502,563,287
421	Undistributed earnings	25	1,292,852,043,229	1,211,432,519,148
	- Undistributed post-tax profits of			
421a	previous years		1,211,432,519,148	774,714,248,566
421b	- Post-tax profits of current period/year		81,419,524,081	436,718,270,582
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>5,700,310,014,781</b>	<b>5,522,084,035,551</b>



Tran Anh Tuan  
Preparer



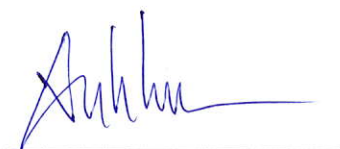
Thieu Thi Ngoc Diem  
Chief Accountant



Võ Thị Ngọc Anh  
General Director  
24 April 2024

## CONSOLIDATED INCOME STATEMENT

Code	Note	For the three-month period ended	
		31.3.2024 VND	31.3.2023 VND
01	Revenue from sales of goods and rendering of services	702,947,827,198	684,538,140,608
02	Less deductions	(7,970,249,263)	(4,588,004,757)
10	Net revenue from sales of goods and rendering of services	694,977,577,935	679,950,135,851
11	Cost of goods sold and services rendered	(481,001,446,595)	(489,058,095,016)
20	Gross profit from sales of goods and rendering of services	213,976,131,340	190,892,040,835
21	Financial income	45,680,565,378	40,572,610,140
22	Financial expenses	(9,791,003,621)	(16,308,382,032)
23	- Including: Interest expense	(8,015,295,167)	(13,353,177,834)
24	Share in profits of associates	-	1,849,234,733
25	Selling expenses	(111,542,073,768)	(136,152,971,922)
26	General and administration expenses	(38,946,338,209)	(36,540,113,876)
30	Net operating profit	99,377,281,120	44,312,417,878
31	Other income	1,885,545,380	3,194,984,092
32	Other expenses	(42,762,540)	(18,825,602)
40	Net other income	1,842,782,840	3,176,158,490
50	Net accounting profit before tax	101,220,063,960	47,488,576,368
51	Corporate income tax ("CIT") – current	(17,494,254,615)	(7,825,441,213)
52	Corporate income tax - deferred	(2,306,285,264)	(3,343,255,135)
60	Net profit after tax	81,419,524,081	36,319,880,020
	Attributable to:		
61	Profit after tax of the Company	81,419,524,081	36,321,350,020
62	Profit after tax of non-controlling interests	-	(1,470,000)
70	Basic earnings per share	27	241
71	Diluted earnings per share	27	241



Tran Anh Tuan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant



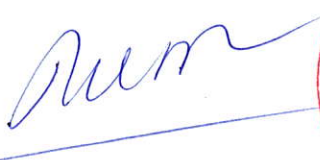
Võ Thị Ngọc Anh  
General Director  
24 April 2024

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

Code	Note	For the three-month period ended	
		31.3.2024 VND	31.3.2023 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>		<b>101,220,063,960</b>	<b>47,488,576,368</b>
		Adjustments for:	
02	36	25,533,544,538	26,630,808,884
03		3,985,413,182	5,629,572,654
04		(72,567,376)	316,370,588
05		(37,530,442,497)	(37,044,055,778)
06		8,015,295,167	13,353,177,834
<b>08</b>		<b>101,151,306,974</b>	<b>56,374,450,550</b>
09		143,766,030,758	(7,952,167,778)
10		(124,561,125,388)	(85,594,039,820)
11		(125,837,423,534)	(122,387,107,810)
12		(746,728,699)	21,910,236,946
14		(8,015,295,167)	(13,353,177,834)
15		(39,567,306,834)	(101,873,366,325)
17		(3,651,531,920)	(5,694,723,500)
<b>20</b>		<b>(57,462,073,810)</b>	<b>(258,569,895,571)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21		(22,784,789,324)	(11,926,283,364)
22		-	1,366,363,636
23		(461,500,000,000)	(114,000,000,000)
24		236,550,000,000	30,050,000,000
27		22,954,387,129	12,846,834,239
<b>30</b>		<b>(224,780,402,195)</b>	<b>(81,663,085,489)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31		-	9,800,000,000
33		716,960,971,656	592,136,890,605
34		(470,365,974,049)	(617,410,219,692)
<b>40</b>		<b>246,594,997,607</b>	<b>(15,473,329,087)</b>
<b>50</b>		<b>(35,647,478,398)</b>	<b>(355,706,310,147)</b>
<b>60</b>		<b>66,882,261,518</b>	<b>387,855,741,942</b>
61	3	3,033,188	(16,477,929)
<b>70</b>		<b>31,237,816,308</b>	<b>32,132,953,866</b>



Tran Anh Tuan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant



Võ Thị Ngọc Anh  
General Director  
24 April 2024

The notes on pages 7 to 43 are an integral part of these consolidated financial statements.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR QUARTER I 2024**
**1 GENERAL INFORMATION OF THE GROUP**

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 and its subsequent amendments were issued by the Department of Planning and Investment of Binh Duong Province and the latest 33<sup>rd</sup> Enterprise Registration Certificate No. 3700748131 dated 22 February 2024.

Shareholders of the Company include NC Vietnam Investment Company Limited, Whitlam Holding Pte. Ltd., Sumitomo Forestry (Singapore) Ltd. and other shareholders. Details are presented in Note 24.

The Company’s shares are listed in 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 and its subsidiaries (together “the Group”) is within 12 months.

As at 31 March 2024 and 31 December 2023, the Group had two direct subsidiaries, one one indirect subsidiary and one associate. Details are as follows:

Name	Location	Principal activity	31.3.2024		31.12.2023	
			Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
<b>Direct subsidiaries</b>						
An Cuong Wood Working Company Limited	Binh Duong Province	Manufacture and trade wooden products.	100	100	100	100
Malloca Vietnam Company Limited	Ho Chi Minh City	Trade Malloca brand kitchen appliances.	100	100	100	100
<b>Indirect subsidiary</b>						
AConcept Vietnam Company Limited (*)	Ho Chi Minh City	Wholesale and retail of interior and interior decoration.	100	100	100	100
<b>Associate</b>						
Thang Loi Homes Joint Stock Company	Long An Province	Trade real estate and residential projects.	30	30	30	30

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

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

The Company established a Commercial Representative Office in the Kingdom of Cambodia according to the Resolution of the Board of Directors No. 05-2023/NQ-GAC dated 11 April 2023.

As at 31 March 2024, the Group had 2,556 employees (as at 31 December 2023: 2,633 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 in Vietnam. The consolidated financial statements have been prepared under the historical cost convention except for investments in associates and joint ventures, and business combination as presented in Note 2.5.

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

**2.2 Fiscal year**

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

**2.3 Currency**

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

**2.4 Exchange rates**

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

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

**2 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.

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

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

The separate financial statements of the subsidiaries are prepared for the same financial year 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' financial year and that of the Group's. The length of the reporting year and differences in reporting date must be consistent between years

***Non- controlling transactions and interests***

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

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

A divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of the Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

***Associate***

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

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

**2.5 Basis of consolidation (continued)**

***Associate (continued)***

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

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

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

**2.6 Cash and cash equivalents**

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

**2.7 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others not arising from sales of goods and rendering of services. Provision for doubtful debts is made for each outstanding amount based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

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

**2.8 Inventories**

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

The Group applies the perpetual system for inventories.

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

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

**2.9 Investments**

**(a) Investments held to maturity**

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

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

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

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

**(b) Investments in associates**

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

**(c) Investments in other entities**

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

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

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

**2.10 Lendings**

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Lendings (continued)

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the period end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

### 2.11 Fixed assets

#### *Tangible and intangible fixed assets*

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

#### *Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the consolidated 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% - 13%
Land use rights	3%
Software	13% - 40%

Land use rights comprise of 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Fixed assets (continued)***Disposals*

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

*Construction in progress*

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

**2.12 Leased assets**

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

**2.13 Prepaid expenses**

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

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

**2.14 Payables**

Classifications of payables are based on their nature as follows

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

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

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

Short-term borrowings include borrowings from banks.

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

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

**2.16 Accrued expenses**

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

**2.17 Provisions**

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

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

**2.18 Provision for severance allowances**

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

The severance allowance is accrued at the end of the reporting 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 consolidated balance sheet date.



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

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

**2.19 Unearned revenue**

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

**2.20 Owners' capital**

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

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

*Treasury shares*

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

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

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

**2.21 Appropriation of profit**

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

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

The Group's funds are as below:

**(a) Bonus and welfare fund**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Appropriation of profit (continued)****(a) Bonus and welfare fund (continued)**

The bonus and welfare fund of subsidiaries is appropriated from profit after CIT of the company and subject to approval of Chairman of the company.

**(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.

The investment and development fund of subsidiaries is appropriated from the company's profit after CIT and subject to approval of Chairman of the company.

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

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

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

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

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

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

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Revenue recognition (continued)****(b) Revenue from rendering of services (continued)**

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

**(c) Interest income**

Interest income is recognised on the basis of the actual time and interest rates for each year when both conditions 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 Group has established the receiving right from subsidiaries

**2.23 Sales deductions**

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

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

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

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

**2.25 Financial expenses**

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

**2.26 Selling expenses**

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

**2.27 General and administration expenses**

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

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

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

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

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

**2.29 Related parties**

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

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

**2.30 Segment reporting**

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

**2.31 Critical accounting estimates**

The preparation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and 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.

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

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.11 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 23).

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

**3 CASH AND CASH EQUIVALENTS**

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Cash on hand	1,082,191,135	450,061,516
Cash at bank	29,155,625,173	66,432,200,002
Cash equivalents (*)	1,000,000,000	-
	<u>31,237,816,308</u>	<u>66,882,261,518</u>

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

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

	<u>As at 31.3.2024</u>		<u>As at 31.12.2023</u>	
	Cost VND	Book value VND	Cost VND	Book value VND
<b>Short-term</b>				
Term deposits (i)	<u>2,135,500,000,000</u>	<u>2,135,500,000,000</u>	<u>1,834,500,000,000</u>	<u>1,834,500,000,000</u>
<b>Long-term</b>				
Term deposits	<u>-</u>	<u>-</u>	<u>76,000,000,000</u>	<u>76,000,000,000</u>

- (i) As at 31 March 2024, short-term investments held-to-maturity represent term deposits at commercial banks with remaining maturities of more than 3 months but less than 1 year and earn interest at the rate of approximately 4.2% - 8.45% per annum (as at 31 December 2023: 4.9% - 11.5% per annum). In addition, the Company has pledged VND343 billion of these investments with banks as collateral assets for the Company's borrowings (Note 21) (as at 31 December 2023: VND343 billion).

## 4 INVESTMENTS (continued)

## (b) Investments in associate and other entity

	As at 31.3.2024			As at 31.12.2023		
	Book value VND	Fair value VND	Provision VND	Book value VND	Fair value VND	Provision VND
<b>Investment in associate</b>						
Thang Loi Homes Joint Stock Company	405,880,434,733	(*)	-	405,880,434,733	(*)	-
<b>Investments in other entity</b>						
Thang Loi Group Real Estate Joint Stock Company	119,200,000,000	(*)	-	119,200,000,000	(*)	-

(\*) As at 31 March 2024 and 31 December 2023, the Group had not reliably determined the fair value of the investment in Thang Loi Homes Joint Stock Company and Thang Loi Group Real Estate Joint Stock Company as their shares have not been listed on the stock exchange and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidation financial statement do not provide detailed guidance on the methods to determine fair value. The fair value of such investments may be different from their book value.

## 5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.3.2024 VND	31.12.2023 VND
Third parties		
Ai Linh Trading Import - Export Joint Stock Company	150,660,958,722	151,251,590,399
Hưng Thịnh Furniture Joint Stock Company	77,902,199,414	77,902,199,414
Others	318,974,414,672	488,925,720,689
Related parties (Note 37(b))	7,349,393,918	5,715,974,205
	<u>554,886,966,726</u>	<u>723,795,484,707</u>

As at 31 March 2024 and 31 December 2023, the balances of short-term trade accounts receivable which were past due amounting to VND108,508,318,717 and VND111,330,045,831 respectively as presented in Note 9.

## 6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.3.2024 VND	31.12.2023 VND
Third parties		
HUECK Rheinische GmbH	-	2,771,525,210
Phuc Truong Thinh Company Limited	2,544,000,000	-
Others	24,066,067,583	15,824,329,507
Related parties (Note 37(b))	319,122,550	398,940,400
	<u>26,929,190,133</u>	<u>18,994,795,117</u>

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

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Novareal Joint Stock Company (*)	114,021,132,127	114,021,132,127
Other	1,480,000,000	1,530,000,000
	<u>115,501,132,127</u>	<u>115,551,132,127</u>

**(b) Long-term**

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Novareal Joint Stock Company (*)	142,526,415,151	142,526,415,151
	<u>142,526,415,151</u>	<u>142,526,415,151</u>

(\*) According to Resolution No. 01-2021/NQ-GAC dated 11 January 2021 of the Board of Directors, the Company signed the purchase option agreements with Novareal Joint Stock Company for real estates of the 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 consolidated financial statements for the year ended 31 December 2023 and 31 March 2024.

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

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Entrusted-investment (*)	114,699,683,444	114,699,683,444
Interest receivables (Note 7)	103,708,176,108	99,490,956,153
Interest income from term deposits	56,877,305,622	47,465,864,469
Interest income from entrusted-investment (*)	10,867,216,930	10,867,216,930
Deposits	2,795,809,740	3,290,081,440
Advances to employees	3,567,949,610	1,242,279,970
Others	380,283,236	35,971,548
	<u>292,896,424,690</u>	<u>277,092,053,954</u>

(\*) The Company entrusted VinaCapital Fund Management Joint Stock Company ("VinaCapital") to invest in corporate bonds and earned an expected interest at the rate of 13.8% per annum according to the 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**

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Deposits	17,730,865,113	16,740,446,020
Interest receivables (Note 7)	10,953,057,384	5,681,532,440
	<u>28,683,922,497</u>	<u>22,421,978,460</u>



## 9 PROVISION FOR DOUBTFUL DEBTS

	31.3.2024			
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
Receivables that were past due:				
Hung Thinh Furniture Joint Stock Company	66,759,830,333	32,787,264,162	33,972,566,171	Over 1 year, under 3 years
Long Giang Investment and Urban Development Joint Stock Company	4,735,807,801	-	4,735,807,801	Over 3 years
No.1- Lao Cai Investment Construction and Trading Joint Stock Company	11,064,373,300	7,745,061,310	3,319,311,990	Over 6 months, under 1 year
An Gia Hung Investment Construction Joint Stock Company	4,437,696,765	140,365,973	4,297,330,792	Over 1 year
Others	21,510,610,518	10,488,306,027	11,022,304,491	Over 6 months
	<u>108,508,318,717</u>	<u>51,160,997,472</u>	<u>57,347,321,245</u>	
	31.12.2023			
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
Receivables that were past due:				
Hung Thinh Furniture Joint Stock Company	66,759,830,333	33,453,666,638	33,306,163,695	Over 6 months, under 3 years
Long Giang Investment and Urban Development Joint Stock Company	4,735,807,801	-	4,735,807,801	Over 3 years
No.1- Lao Cai Investment Construction and Trading Joint Stock Company	11,758,568,349	8,230,997,844	3,527,570,505	Over 6 months, under 1 year
An Gia Hung Investment Construction Joint Stock Company	3,338,942,601	-	3,338,942,601	Over 3 years
Others	24,736,896,747	12,527,307,708	12,209,589,039	Over 6 months
	<u>111,330,045,831</u>	<u>54,211,972,190</u>	<u>57,118,073,641</u>	

## 10 INVENTORIES

	31.3.2024		31.12.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	52,687,172,219	-	45,208,363,802	-
Raw materials	592,747,514,649	(20,894,283,114)	557,485,101,721	(18,919,194,639)
Tools and supplies	10,986,695,875	-	9,756,769,432	-
Work in progress	268,538,694,558	(6,197,229,162)	174,198,297,205	(5,167,458,899)
Finished goods	213,923,454,756	(9,124,673,296)	206,412,425,952	(8,759,996,393)
Merchandise	153,522,288,718	(2,658,317,374)	162,155,014,106	(3,171,687,437)
Finished goods in transit	2,677,778,970	-	15,306,502,139	-
	<u>1,295,083,599,745</u>	<u>(38,874,502,946)</u>	<u>1,170,522,474,357</u>	<u>(36,018,337,368)</u>

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

	For the period ended 31.3.2024 VND	For the year ended 31.12.2023 VND
Beginning of period/ year	36,018,337,368	24,713,907,707
Provision (Note 30)	2,856,165,578	11,304,429,661
End of period/ year	<u>38,874,502,946</u>	<u>36,018,337,368</u>

## 11 PREPAID EXPENSES

## (a) Short-term

	31.3.2024 VND	31.12.2023 VND
Tools and supplies	6,511,612,995	7,061,021,396
Software usage fees, infrastructure	3,907,064,306	696,508,764
Rental	3,378,609,094	824,572,477
Insurance	758,143,610	1,256,907,760
Advertising	235,900,001	836,059,282
Others	8,056,223,272	4,260,574,948
	<u>22,847,553,278</u>	<u>14,935,644,627</u>

## 11 PREPAID EXPENSES (continued)

## (b) Long-term

	31.3.2024 VND	31.12.2023 VND
Land rental (*)	155,992,760,417	157,173,459,051
Office and factory renovation	11,317,115,759	12,115,407,205
Tools and supplies	6,398,966,878	8,720,395,262
Rental	1,944,296,482	1,955,823,931
Others	8,240,521,312	7,070,197,635
	<u>183,893,660,848</u>	<u>187,035,283,084</u>

(\*) As at 31 March 2024, land use right of land lots No. 441, No. 218, No. 820 and No. 818 located in Binh Duong Province with a carrying value of VND153,456,920,261 (as at 31 December 2023: VND154,620,329,076) were pledged as securities as security for short-term borrowings with banks (Note 21).

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

	For the period ended 31.3.2024 VND	For the year ended 31.12.2023 VND
Beginning of period/year	187,035,283,084	191,951,361,477
Increase	4,225,253,681	22,720,307,059
Allocation during the period/year	(7,366,875,917)	(27,636,385,452)
End of period/year	<u>183,893,660,848</u>	<u>187,035,283,084</u>

AN CUONG WOOD-WORKING JOINT STOCK COMPANY

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12	FIXED ASSETS	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
(a)	<b>Tangible fixed assets</b>						
	<b>Historical cost</b>						
	As at 1 January 2024	334,878,421,731	565,227,634,126	140,418,194,622	10,053,079,484	21,852,046,471	1,072,429,376,434
	New purchases	-	3,718,647,061	13,663,441,802	328,512,065	-	17,710,600,928
	Transfer from constructions in progress (Note 13)	-	439,052,383	-	-	-	439,052,383
	As at 31 March 2024	334,878,421,731	569,385,333,570	154,081,636,424	10,381,591,549	21,852,046,471	1,090,579,029,745
	<b>Accumulated depreciation</b>						
	As at 1 January 2024	196,888,137,695	363,568,131,072	88,994,511,831	9,555,294,269	20,260,855,083	679,266,929,950
	Charge for the period	6,768,130,004	13,763,908,500	3,226,200,089	82,904,910	192,582,346	24,033,725,849
	As at 31 March 2024	203,656,267,699	377,332,039,572	92,220,711,920	9,638,199,179	20,453,437,429	703,300,655,799
	<b>Net book value</b>						
	As at 1 January 2024	137,990,284,036	201,659,503,054	51,423,682,791	497,785,215	1,591,191,388	393,162,446,484
	As at 31 March 2024	131,222,154,032	192,053,293,998	61,860,924,504	743,392,370	1,398,609,042	387,278,373,946

Historical cost of tangible fixed assets fully depreciated but still in use as at 31 March 2024 was VND187,891,525,062 (as at 31 December 2023: VND139,475,667,869).

As at 31 March 2024, tangible fixed assets with the carrying value of VND90,247,549,960 (as at 31 December 2023: VND94,772,127,253) were pledged with banks as security for short-term borrowings granted to the Group (Note 21).

## 12 FIXED ASSETS (continued)

## (b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2024	8,090,909,091	26,413,969,397	<b>34,504,878,488</b>
New purchases	-	2,094,855,959	<b>2,094,855,959</b>
Transfer from constructions in progress (Note 13)	-	15,260,135,689	<b>15,260,135,689</b>
As at 31 March 2024	<u>8,090,909,091</u>	<u>43,768,961,045</u>	<u><b>51,859,870,136</b></u>
<b>Accumulated amortisation</b>			
As at 1 January 2024	2,065,219,701	20,624,663,226	<b>22,689,882,927</b>
Charge for the period	55,451,129	1,444,367,560	<b>1,499,818,689</b>
As at 31 March 2024	<u>2,120,670,830</u>	<u>22,069,030,786</u>	<u><b>24,189,701,616</b></u>
<b>Net book value</b>			
As at 1 January 2024	<u>6,025,689,390</u>	<u>5,789,306,171</u>	<u><b>11,814,995,561</b></u>
As at 31 March 2024	<u><u>5,970,238,261</u></u>	<u><u>21,699,930,259</u></u>	<u><u><b>27,670,168,520</b></u></u>

Historical cost of intangible fixed assets fully amortised but still in use as at 31 March 2024 was VND3,938,852,090 (as at 31 December 2023: VND3,668,852,090).

As at 31 March 2024, intangible fixed assets with the carrying value of VND5,970,238,261 (as at 31 December 2023: VND6,025,689,390) were pledged with banks as security for short-term borrowings granted to the Group (Note 21).

## 13 CONSTRUCTIONS IN PROGRESS

	31.3.2024 VND	31.12.2023 VND
Machinery and equipment	2,774,166,943	939,191,330
Software in installment progress	971,173,087	18,628,673,191
Factory construction	669,033,636	669,033,636
Office renovation	380,681,489	729,289,463
Others	474,817,394	575,858,282
	<u>5,269,872,549</u>	<u>21,542,045,902</u>

**13 CONSTRUCTIONS IN PROGRESS (continued)**

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

	For the period ended 31.3.2024 VND	For the year ended 31.12.2023 VND
Beginning of period/ year	21,542,045,902	4,590,174,133
Increase during the period/ year	3,450,572,435	16,951,871,769
Transfer to intangible fixed asset (Note 12)	(15,260,135,689)	-
Transfer to tangible fixed asset (Note 12)	(439,052,383)	-
Transfer to prepaid expense	(4,023,557,716)	-
End of period/ year	<u>5,269,872,549</u>	<u>21,542,045,902</u>

**14 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	31.3.2024		31.12.2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
VRG Kien Giang MDF Joint Stock Company	56,980,784,310	56,980,784,310	56,115,551,218	56,115,551,218
Vina Eco Board Limited	22,760,761,690	22,760,761,690	20,290,814,232	20,290,814,232
Others	185,023,477,128	185,023,477,128	182,906,217,893	182,906,217,893
Related parties (Note 37(b))	3,644,772,026	3,644,772,026	4,007,417,653	4,007,417,653
	<u>268,409,795,154</u>	<u>268,409,795,154</u>	<u>263,320,000,996</u>	<u>263,320,000,996</u>

As at 31 March 2024 and 31 December 2023, there was no balance of short-term trade accounts payable that was past due.

**15 SHORT-TERM ADVANCES FROM CUSTOMERS**

	31.3.2024 VND	31.12.2023 VND
Ricons Contruction Investment Joint Stock Company	19,134,899,465	21,390,527,465
Others	95,339,853,501	153,064,917,965
	<u>114,474,752,966</u>	<u>174,455,445,430</u>

As at 31 March 2024 and 31 December 2023, there was no third-party customers had a balance accounting for more than 10% of the total balance of short-term advances.

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**16 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

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

	As at 1.1.2024 VND	Receivables during the period VND	Received during the period VND	Net off during the period VND	Reclassify VND	As at 31.3.2024 VND
<b>(a) Receivables</b>						
Value added tax ("VAT") input	1,786,084,549	50,966,083,492	535,407,311	(47,824,536,693)	-	5,463,038,659
<b>(b) Payables</b>						
CIT	39,420,282,310	17,494,254,615	(39,567,306,834)	-	160,851,563	17,508,081,654
VAT output	17,743,790,561	55,418,120,799	(24,538,982,958)	(47,824,536,693)	-	798,391,709
VAT on imported goods	-	16,337,429,858	(16,337,429,858)	-	-	-
Personal income tax	9,203,440,594	2,611,830,527	(11,160,777,000)	(508,715)	2,383,124	656,368,530
Import tax	13,998,252	6,309,430,252	(6,309,430,252)	-	-	13,998,252
Others	-	1,263,412,464	(1,263,265,813)	-	51,722,707	51,869,358
	66,381,511,717	99,434,478,515	(99,177,192,715)	(47,825,045,408)	214,957,394	19,028,709,503

**17 PAYABLES TO EMPLOYEES**

Payables to employees represent monthly salary payable to employees.

**18 SHORT-TERM ACCRUED EXPENSES**

	<b>31.3.2024</b>	<b>31.12.2023</b>
	<b>VND</b>	<b>VND</b>
Staff costs	22,416,057,737	11,242,722,945
Based-investment-performance fees to VinaCapital	6,000,000,000	6,000,000,000
Interest expense	-	423,656,468
Others	6,276,538,794	4,739,617,420
	<u>34,692,596,531</u>	<u>22,405,996,833</u>

**19 OTHER SHORT-TERM PAYABLES**

	<b>31.3.2024</b>	<b>31.12.2023</b>
	<b>VND</b>	<b>VND</b>
Compulsory insurances	955,027,679	621,550,388
Dividends payable to shareholders (Note 26)	321,548,500	321,548,500
Others	1,599,481,725	1,359,947,363
	<u>2,876,057,904</u>	<u>2,303,046,251</u>

**20 BONUS AND WELFARE FUNDS**

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

	<b>For the period ended</b>	<b>For the year ended</b>
	<b>31.3.2024</b>	<b>31.12.2023</b>
	<b>VND</b>	<b>VND</b>
Beginning of period/ year	23,673,717,168	39,016,837,567
Increase	-	54,699,030,232
Decrease	(3,056,650,000)	(70,042,150,631)
End of period/ year	<u>20,617,067,168</u>	<u>23,673,717,168</u>



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21 SHORT-TERM BORROWINGS

	As at 1.1.2024 VND	Increase VND	Decrease VND	As at 31.3.2024 VND
Bank loans (*)	706,566,540,805	716,960,971,656	(470,365,974,049)	953,161,538,412

(\*) Bank loans are for the working capital purpose. Details of short-term bank loans as follows:

	Currency	As at 31.3.2024 VND	Term Months	Interest (%/annum)	Expiry date	Collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	391,427,492,822	6	3.2- 4.3	03.05.2024 - 24.09.2024	Term deposit contracts of VND241 billion; debt collection rights; land use rights and assets, machineries belonged to land plots No. 218, 818 located in Binh Duong.
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	288,732,924,948	4-6	3.3- 4.4	22.04.2024 - 18.07.2024	Debt collection rights; land use rights and assets, machineries belonged to land plot No. 441 and land plot No.820 located in Binh Duong; machineries and equipments.
Vietnam Maritime Commercial Joint Stock Bank	VND	191,640,329,663	5	3.5	10.06.2024 - 29.07.2024	Debt use rights, land use rights and assets belonged to land plot No. 750.
Shinhan Bank Vietnam Limited	VND	81,360,790,979	4-6	3.1-3.3	07.06.2024- 29.09.2024	Term deposit contracts of VND102 billion.
		<u>953,161,538,412</u>				

**22 PROVISIONS FOR LONG-TERM LIABILITIES**

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Provisions for severance allowances	4,390,514,998	4,390,514,998
Provisions for dismantling costs	10,776,743,829	9,876,743,829
	<u>15,167,258,827</u>	<u>14,267,258,827</u>

**23 DEFERRED INCOME TAX**

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

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Deferred tax assets are calculated base on:		
Deferred tax assets are recovered than more 12 months	2,579,843,424	2,399,843,424
Deferred tax assets are recovered within 12 months	6,110,921,378	8,597,206,642
	<u>8,690,764,802</u>	<u>10,997,050,066</u>

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

	<b>For the period ended</b> <b>31.3.2024</b> <b>VND</b>	<b>For the year ended</b> <b>31.12.2023</b> <b>VND</b>
Beginning of period/ year	10,997,050,066	9,316,601,049
Consolidated income statement (credit)/debit	(2,306,285,264)	1,680,449,017
End of period/ year	<u>8,690,764,802</u>	<u>10,997,050,066</u>

Details of deferred tax assets:

	<b>31.3.2024</b> <b>VND</b>	<b>31.12.2023</b> <b>VND</b>
Deductible temporary differences	<u>8,690,764,802</u>	<u>10,997,050,066</u>

The Group uses tax rate of each company in the Group for determining deferred tax assets. Deferred income tax assets mainly arise from deductible temporary differences relating to accrued expenses, provisions, profit from revenue with invoices issued but not yet qualified to be recognised and unrealised profit when consolidate.

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

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**23 OWNERS' CAPITAL**

**(a) Number of shares**

	<b>31.3.2024</b>	<b>31.12.2023</b>
Number of shares registered	150,787,946	150,787,946
Number of shares issued	150,787,946	150,787,946
Number of existing shares in circulation	150,787,946	150,787,946

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

	<b>31.3.2024</b>		<b>31.12.2023</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
NC Viet Nam Investment Ltd.	75,463,194	50.05	75,463,194	50.05
Sumitomo Forestry (Singapore) Ltd.	29,571,819	19.61	29,571,819	19.61
Whitlam Holding Pte. Ltd.	27,242,397	18.07	27,242,397	18.07
Others	18,510,536	12.27	18,510,536	12.27
	<u>150,787,946</u>	<u>100</u>	<u>150,787,946</u>	<u>100</u>

**(c) Movements of share capital**

	<b>Number of shares</b>	<b>Ordinary shares</b>	<b>Treasury shares</b>	<b>Total</b>
		<b>VND</b>	<b>VND</b>	<b>VND</b>
As at 1 January 2023	135,836,522	1,358,461,220,000	(653,230,147)	1,357,807,989,853
New shares issued (Note 25)	14,941,824	149,418,240,000	-	149,418,240,000
Treasury shares re-issued (Note 25)	9,600	-	653,230,147	653,230,147
	<u>150,787,946</u>	<u>1,507,879,460,000</u>	<u>-</u>	<u>1,507,879,460,000</u>
As at 31 December 2023	150,787,946	1,507,879,460,000	-	1,507,879,460,000
As at 31 March 2024	<u>150,787,946</u>	<u>1,507,879,460,000</u>	<u>-</u>	<u>1,507,879,460,000</u>

Par value per share: VND10,000.

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24 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Development and investment fund VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2023	1,358,461,220,000	1,419,298,588,703	(653,230,147)	5,387,266	1,135,105,404,068	-	3,912,217,369,890
Net profit for the year	-	-	-	-	436,718,270,582	(1,470,000)	436,716,800,582
Capital increased during the year	-	-	-	-	-	9,800,000,000	9,800,000,000
Capital decreased during the year	-	-	-	-	-	(9,798,530,000)	(9,798,530,000)
Appropriation to the bonus and welfare fund	-	-	-	-	(54,699,030,232)	-	(54,699,030,232)
Appropriation to the investment and development fund	-	-	-	45,729,043,070	(45,729,043,070)	-	-
Appropriation to the charity funds	-	-	-	-	(5,000,000,000)	-	(5,000,000,000)
Payments from investment and development fund	-	-	-	(10,231,867,049)	-	-	(10,231,867,049)
Dividend paid in shares	149,418,240,000	-	-	-	(149,418,240,000)	-	-
Dividend paid in cash	-	-	-	-	(105,544,842,200)	-	(105,544,842,200)
Treasury shares re-issued	-	(557,230,147)	653,230,147	-	-	-	96,000,000
As at 31 December 2023	1,507,879,460,000	1,418,741,358,556	-	35,502,563,287	1,211,432,519,148	-	4,173,555,900,991
Net profit for the period	-	-	-	-	81,419,524,081	-	81,419,524,081
Payments from investment and development fund	-	-	-	(286,093,320)	-	-	(286,093,320)
As at 31 March 2024	1,507,879,460,000	1,418,741,358,556	-	35,216,469,967	1,292,852,043,229	-	4,254,689,331,752

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26 DIVIDENDS

	For the period ended 31.3.2024 VND	For the year ended 31.12.2023 VND
Beginning of year/ period	321,548,500	262,857,700
Increase	-	254,963,082,200
Payment in cash	-	(105,486,151,400)
Payment in shares	-	(149,418,240,000)
End of year/ period	<u>321,548,500</u>	<u>321,548,500</u>

27 EARNINGS PER SHARE

(a) Basic earnings per share

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

	For the period ended	
	31.3.2024	31.3.2023 (*)
Net profit attributable to shareholders (VND)	81,419,524,081	36,321,350,020
Weighted average number of ordinary shares in circulation (shares)	<u>150,779,372</u>	<u>150,778,346</u>
Basic earnings per share (VND)	<u>540</u>	<u>241</u>

(\*) Basic earnings per share for the year 2023 were recalculated to take into account adjustments for the issuance of new shares to pay dividend as follows:

	For the period ended 31.3.2023		
	As previously reported	Adjustments (**)	As restated
Net profit attributable to shareholders (VND)	36,321,350,020		36,321,350,020
Weighted average number of ordinary shares in circulation (shares)	<u>135,836,522</u>	14,941,824	<u>150,778,346</u>
Basic earnings per share (VND)	<u>267</u>		<u>241</u>

(\*\*) The weighted average number of ordinary shares in circulation is also adjusted as an impact of the issuance of new shares to pay dividend for existing shareholders at the ratio of 11% according to Resolution No. 10-2023/NQ-GAC by the Board of Directors dated 21 June 2023.

**27 EARNINGS PER SHARE (continued)**

**(b) Diluted earnings per share**

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

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

The Group has no ordinary shares that have a dilutive effect during the period and until the date of these consolidated financial statements. Therefore, the diluted earnings per share shall be equal to the basic earnings per share for the three-month period ended 31 March 2024.

**28 OFF BALANCE SHEET ITEMS****Foreign currencies**

As at 31 March 2024, included in cash are balances held in foreign currencies of US\$295,891.71 and EUR6,279.23 (as at 31 December 2023: US\$407,721 and EUR5,101).

**29 NET REVENUE OF SALES OF GOODS AND RENDERING OF SERVICES**

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
<b>Revenue</b>		
Revenue from sales of goods	698,486,809,640	680,262,793,471
Revenue from rendering of services	4,461,017,558	4,275,347,137
	<u>702,947,827,198</u>	<u>684,538,140,608</u>
<b>Sales deduction</b>		
Trade discounts	(1,289,117,358)	(1,714,739,843)
Sales returns	(6,671,597,905)	(2,873,264,914)
Sales allowances	(9,534,000)	-
	<u>(7,970,249,263)</u>	<u>(4,588,004,757)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of goods	690,516,560,377	675,674,788,714
Net revenue from rendering of services	4,461,017,558	4,275,347,137
	<u>694,977,577,935</u>	<u>679,950,135,851</u>

**30 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold	476,503,910,527	483,623,408,504
Cost of services rendered	741,370,490	579,803,587
Provision for decline in value of inventories	2,856,165,578	5,978,139,096
Provision/ (Reversal of provision) for dismantling cost	900,000,000	(1,123,256,171)
	<u>481,001,446,595</u>	<u>489,058,095,016</u>

**31 FINANCIAL INCOME**

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
Interest income from bank deposits	32,229,157,554	25,407,853,417
Interest income from deposits	9,488,744,899	9,137,309,903
Realised foreign exchange gains	3,591,765,830	5,987,665,998
Unrealised foreign exchange gains	72,567,376	-
Interest income from lendings	29,759,999	39,780,822
Others	268,569,720	-
	<u>45,680,565,378</u>	<u>40,572,610,140</u>

**32 FINANCIAL EXPENSE**

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
Interest expense	8,015,295,167	13,353,177,834
Realised foreign exchange losses	1,775,529,949	2,638,833,610
Unrealised foreign exchange losses	-	316,370,588
Others	178,505	-
	<u>9,791,003,621</u>	<u>16,308,382,032</u>

**33 SELLING EXPENSES**

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
Staff costs	48,563,252,135	43,294,221,197
Transportation	12,085,925,247	12,719,641,198
Marketing and advertising	14,391,404,493	41,170,519,981
Tools and supplies	1,827,452,781	3,345,021,353
Rental	12,395,674,971	10,685,447,635
Depreciation and amortisation	3,576,686,617	4,034,159,296
Repair and maintenances	4,194,334,329	4,926,756,168
Others	14,507,343,195	15,977,205,094
	<u>111,542,073,768</u>	<u>136,152,971,922</u>



## 34 GENERAL AND ADMINISTRATION EXPENSES

	For the three-month period ended	
	31.3.2024 VND	31.3.2023 VND
Staff costs	19,557,884,937	18,061,884,229
Professional service fees	969,755,231	536,586,992
Tools and supplies	309,706,849	787,264,707
Depreciation and amortisation	1,313,523,923	1,081,647,522
Provision for doubtful debts	899,141,666	780,390,719
Others	15,896,325,603	15,292,339,707
	<u>38,946,338,209</u>	<u>36,540,113,876</u>

## 35 CORPORATE INCOME TAX (“CIT”)

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

	For the three-month period ended	
	31.3.2024 VND	31.3.2023 VND
Net accounting profit before tax	101,220,063,960	47,488,576,368
Tax calculated at a rate of 20%	20,244,012,792	9,497,715,274
Effect of:		
Expenses not deductible for tax purposes	3,703,030,797	3,114,872,847
Tax losses not recognised for deferred tax asset	-	600,000
Under-provision in previous years	-	392,958,424
Tax deduction	(4,146,503,710)	(1,837,450,197)
CIT (*)	<u>19,800,539,879</u>	<u>11,168,696,348</u>
Charged to the consolidated income statement:		
CIT – current	17,494,254,615	7,825,441,213
CIT – deferred (Note 23)	2,306,285,264	3,343,255,135
	<u>19,800,539,879</u>	<u>11,168,696,348</u>

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

**36 COSTS OF OPERATION BY FACTOR**

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

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
Raw materials	457,786,158,993	383,775,503,115
Staff costs	121,901,451,192	125,358,737,858
Depreciation and amortisation	25,533,544,538	26,630,808,884
Outside services	49,533,543,893	82,610,878,268
Transportation	12,781,339,312	13,684,697,593
Tools and supplies	10,455,585,890	20,498,362,106
Others	67,265,003,950	54,540,164,856
	<u>745,256,627,768</u>	<u>707,099,152,680</u>

**37 RELATED PARTY DISCLOSURES**

During the period and as at 31 March 2024, the Group had balances and/or transactions with below related parties:

<b>Related parties</b>	<b>Relationship</b>
NC Vietnam Investment Company Limited	Controlling shareholder
Whitlam Holding Pte. Ltd.	Major shareholder
Sumitomo Forestry (Singapore) Ltd.	Major shareholder
Thang Loi Homes Joint Stock Company	Associate
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**

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

	<b>For the three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>VND</b>	<b>VND</b>
<b>i) Sales of goods</b>		
Trung Hieu Plywood Company Limited	8,361,625,933	7,059,021,315
Sumitomo Forestry Vietnam Company Limited	19,156,858	-
	<u>8,380,782,791</u>	<u>7,059,021,315</u>

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37 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the three-month period ended	
	31.3.2024 VND	31.3.2023 VND
<b>ii) Purchase of goods and services</b>		
Sumitomo Forestry (Singapore) Ltd.	2,987,087,328	1,277,509,536
Thao Nghia Thanh One-Member Company Limited	1,393,469,891	2,231,209,000
Sumitomo Forestry Vietnam Company Limited	87,355,206	-
	<u>4,467,912,425</u>	<u>3,508,718,536</u>
<b>.iii) Compensation of key management</b>		
Gross salaries and other benefits	<u>4,515,378,300</u>	<u>4,806,266,667</u>

(b) Year end balances with related parties

	31.3.2024 VND	31.12.2023 VND
<b>Investments in associates (Note 4(b))</b>		
Thang Loi Homes Joint Stock Company	<u>405,880,434,733</u>	<u>405,880,434,733</u>
<b>Short-term trade accounts receivable (Note 5)</b>		
Trung Hieu Plywood Company Limited	7,328,704,511	5,715,974,205
Sumitomo Forestry Vietnam Company Limited	20,689,407	-
	<u>7,349,393,918</u>	<u>5,715,974,205</u>
<b>Short-term prepayments to suppliers (Note 6)</b>		
Thao Nghia Thanh One-Member Company Limited	<u>319,122,550</u>	<u>398,940,400</u>
<b>Short-term trade accounts payable (Note 14)</b>		
Sumitomo Forestry (Singapore) Ltd.	2,034,146,304	2,491,135,553
Thao Nghia Thanh One-Member Company Limited	1,516,282,100	1,516,282,100
Sumitomo Forestry Vietnam Company Limited	94,343,622	-
	<u>3,644,772,026</u>	<u>4,007,417,653</u>

## 38 SEGMENT REPORTING

*Business activity segments*

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

	For the three-month period ended 31.3.2024		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	553,830,892,728	141,146,685,207	694,977,577,935
Cost of goods sold and services rendered	374,776,160,319	106,225,286,276	481,001,446,595
<b>Gross profit from sales of goods and rendering of services</b>	<b>179,054,732,409</b>	<b>34,921,398,931</b>	<b>213,976,131,340</b>
Total expense incurred for purchases of fixed assets by geographic area of the assets	18,793,419,225	-	18,793,419,225
<b>As at 31.3.2024</b>			
Total carrying amount of the segment assets by geographic area of the assets	414,272,045,323	676,497,143	414,948,542,466
Segment assets	559,770,693,846	1,514,089,161	561,284,783,007
Unallocated assets	5,139,025,231,774	-	5,139,025,231,774
<b>Total assets</b>	<b>5,698,795,925,620</b>	<b>1,514,089,161</b>	<b>5,700,310,014,781</b>
Segment liabilities	176,776,559,615	91,633,235,539	268,409,795,154
Unallocated liabilities	1,177,210,887,875	-	1,177,210,887,875
<b>Total liabilities</b>	<b>1,353,987,447,490</b>	<b>91,633,235,539</b>	<b>1,445,620,683,029</b>

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38 SEGMENT REPORTING (continued)

*Geographical segments (continued)*

	For the three-month period ended 31.3.2023		
	Dosmetic VND	Overseas VND	Total VND
Net revenue from sales of goods and rendering of services	574,463,236,364	105,486,899,487	679,950,135,851
Cost of goods sold and services rendered	397,656,288,401	91,401,806,615	489,058,095,016
<b>Gross profit from sales of goods and rendering of services</b>	<b>176,806,947,963</b>	<b>14,085,092,872</b>	<b>190,892,040,835</b>
Total expense incurred for purchases of fixed assets by geographic area of the assets	11,926,283,364	-	11,926,283,364
<b>As at 31.12.2023</b>			
Total carrying amount of the segment assets by geographic area of the assets	404,275,576,259	701,865,786	404,977,442,045
Segment assets	714,001,111,452	9,794,373,255	723,795,484,707
Unallocated assets	4,393,311,108,799	-	4,393,311,108,799
<b>Total assets</b>	<b>5,511,587,796,510</b>	<b>10,496,239,041</b>	<b>5,522,084,035,551</b>
Segment liabilities	179,870,444,703	83,449,556,293	263,320,000,996
Unallocated liabilities	1,085,208,133,564	-	1,085,208,133,564
<b>Total liabilities</b>	<b>1,265,078,578,267</b>	<b>83,449,556,293</b>	<b>1,348,528,134,560</b>

The consolidated financial statements were approved by the Board of Management on 24 April 2024.



Tran Anh Tuan  
Preparer



Thieu Thi Ngoc Diem  
Chief Accountant




Vo Thi Ngoc Anh  
General Director