



**QUANG NGAI SUGAR
JOINT STOCK COMPANY**

Financial statements

For the year ended 31 December 2021

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REPORT OF THE MANAGEMENT

The Management of Quang Ngai Sugar Joint Stock Company is pleased to present this report together with the audited financial statements for the year ended 31/12/2021.

Overview

Quang Ngai Sugar Joint Stock Company (“the Company”) is incorporated on the basis of equitizing the State-Owned Enterprise (Quang Ngai Sugar Company belonging to the Ministry of Agriculture and Rural Development) under Decision No. 2610/QD/BNN-DMDN dated 30/9/2005 by the Minister of Agriculture and Rural Development. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being the Enterprise Registration Certificate) No. 3403000079 issued by the Department of Planning and Investment of Quang Ngai Province on 28/12/2005, the Enterprise Law, its Charter and relevant regulations. Since the establishment date, the Enterprise Registration Certificate (the current number is 4300205943) has been amended 23 times and the most recent amendment was made on 22/03/2021.

The Company registered to list and trade its common shares on UPCoM at Hanoi Stock Exchange on 20/12/2016 with stock code QNS.

Charter capital as at 31/12/2021: VND3,569,399,550.

As at 31/12/2021, the Company has 16 dependent units which do independent accounting and one subsidiary:

Dependent units

- Dung Quat Beer Factory;
- An Khe Agricultural and Mechanical Workshop;
- Viet Nam Soya Milk Factory - VINASOY;
- Viet Nam Soya Milk Factory - VINASOY Bac Ninh;
- Viet Nam Soya Milk Factory - VINASOY Binh Duong;
- VINASOY Soybean Research and Application Center;
- VINASOY Soybean Research and Development Center;
- Pho Phong Sugar Factory;
- Environment and Clean Water Center;
- An Khe Sugar Factory;
- An Khe Biomass Power Plant;
- Candy And Biscuit Factory- BISCAFUN;
- Thach Bich Mineral Water Factory;
- Quang Ngai Glucose Syrup Factory;
- Mechanical Factory;
- Gia Lai Sugarcane Seed Study and Application Center.

Subsidiary

Company name	Address	Principal activities	% holding and voting right
Thanh Phat Trade Limited Company	02 Nguyen Chi Thanh, Quang Ngai City	Trading	100%

Head office

- Address: 02 Nguyen Chi Thanh Street, Quang Phu Ward, Quang Ngai City, Quang Ngai Province.
- Tel: (84) 0255.3726 110

REPORT OF THE MANAGEMENT (CONT'D)

- Fax: (84) 0255.3822 843
- Website: www.qns.com.vn

Principal activities

- Processing milk and products from milk. Detail: Processing soya milk and products from soya milk;
- Restaurants and mobile food service activities;
- Manufacturing sugar;
- Manufacturing pastry cooks' products from flours;
- Manufacturing fertilizer and nitrogen compounds. Detail: Manufacturing inorganic, microbial fertilizers;
- Other food serving activities;
- Installing industrial machinery and equipment;
- Wholesale of beverages. Detail: Trading beer, beverages;
- Sewerage and waste water treatment;
- Repairing machinery and equipment;
- Other specialized construction activities;
- Wholesale of food. Detail: Trading sugar, honey, milk, confectionary;
- Exploiting, treating and supplying water. Detail: Exploiting mineral water;
- Manufacturing malt liquors and malt;
- Manufacturing non-alcoholic beverages, mineral waters. Detail: Manufacturing soft drinks and mineral water;
- Warehousing and storage;
- Post-harvest crop activities;
- Support activities for crop production. Detail: Planting sugar cane;
- Real estate activities with own or leased property;
- Machining; treatment and coating of metals. Detail: Machining mechanical products for manufacture and civil industries;
- Freight transport by road;
- Short-term accommodation activities;
- Manufacturing agricultural and forestry machinery. Detail: Trading and manufacturing tools of agricultural machinery;
- Manufacturing other special-purpose machinery. Detail: Manufacturing machinery for planting, growing and harvesting sugar cane;
- Other specialized wholesale n.e.c. Detail: Trading inorganic fertilizers, microbial fertilizers; Trading glass bottles, plastic boxes; Trading sugar cane as seedlings, raw materials, ethanol, glucose syrup; Trading finished products, wastes from sugar processing such as: molasses, soy bean residue, malt in beer, bagasse, press mud;
- Manufacturing other food products n.e.c. Detail: Manufacturing, trading glucose syrup; Manufacturing, trading ethanol such as food ethanol, fuel ethanol, denatured fuel ethanol, industrial ethanol; Manufacturing and trading food CO2 and industrial CO2;
- Manufacture of structural metal products;

REPORT OF THE MANAGEMENT (CONT'D)

- Manufacture of tanks, reservoirs and containers of metal;
- Manufacture of steam generators (except central heating hot water boilers);
- Forging, pressing, stamping and roll-forming of metal; powder metallurgy;
- Manufacture of lifting and handling equipment;
- Electrical system installation;
- Plumbing, heat and air-conditioning system installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading in soybean seeds, raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Detail: Growing of soybeans;
- Growing of oil seeds;
- Seed processing for propagation;
- Other mining and quarrying n.e.c;
- Other professional, scientific and technical activities n.e.c. Detail: Agronomic consultancy;
- Organization of conventions and trade shows;
- Packaging activities (except packaging of plant protection drugs);
- Site preparation. Detail: Filling, grading, excavating land, building infield ditch roads and traffic of sugar cane area;
- Manufacturing gas; distributing gaseous fuels through mains. Detail: Manufacturing and supplying biogas and steam gas;
- Landscape care and maintenance service;
- Manufacturing cocoa, chocolate and sugar confectionery;
- Propagation and growing of industrial cultivars. Detail: Propagation and growing of sugar cane; Propagation and growing of soybean trees;
- Generating electricity;
- Construction of other civil engineering projects;
- Research and experimental development on natural sciences;
- Research and experimental development on engineering and technology.

Employees

As at 31/12/2021, the Company had 3,897 employees, including 137 managing officers.

Members of the Board of Directors, Board of Supervisors, Management and Chief Accountant during the year and up to this reporting date are as follows:

Board of Directors

- | | | |
|------------------------|---------------|----------------------------------|
| • Mr. Tran Ngoc Phuong | Chairman | Reappointed on 08/04/2021 |
| • Mr. Vo Thanh Dang | Vice Chairman | Appointed on 08/04/2021 |
| • Mr. Nguyen Huu Tien | Vice Chairman | Holding the post till 02/04/2021 |
| | Member | Reappointed on 03/04/2021 |
| • Mr. Ngo Van Tu | Member | Reappointed on 03/04/2021 |

REPORT OF THE MANAGEMENT (CONT'D)

- Mr. Dang Phu Quy Member Reappointed on 03/04/2021
- Mr. Nguyen Van Dong Member Appointed on 03/04/2021

Board of Supervisors

- Mr. Nguyen Dinh Que Chief Supervisor Reappointed on 06/04/2021
- Mr. Nguyen Thanh Huy Supervisor Reappointed on 03/04/2021
- Ms. Huynh Thi Ngoc Diep Supervisor Reappointed on 03/04/2021

Management and Chief Accountant

- Mr. Vo Thanh Dang General Director Reappointed on 08/04/2021
- Mr. Nguyen Huu Tien Vice General Director Reappointed on 08/04/2021
- Mr. Tran Ngoc Phuong Vice General Director Reappointed on 08/04/2021
- Mr. Nguyen The Binh Chief Accountant Reappointed on 08/04/2021

Independent Auditor

These financial statements have been audited by AAC Auditing and Accounting Co., Ltd. (Head office: Lot 78-80, 30th April Street, Hai Chau District, Da Nang City; Telephone: (84) 236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

Statement of the Management's responsibility in respect of the financial statements

The Management of the Company is responsible for preparation and fair presentation of these financial statements on the basis of:

- Complying with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the financial statements on the going concern basis;
- Responsibility for such internal control as the Management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Members of the Company's Management hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and notes to the financial statements give a true and fair view of the financial position of the Company as at 31/12/2021 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

On behalf of the Management



Vo Thanh Dang
General Director

Quang Ngai Province, 25 February 2022



AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL
AUDITING ACCOUNTING AND FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: <http://www.aac.com.vn>

No.: 105/2022/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

**Attn: The Shareholders, Board of Directors and Management
Quang Ngai Sugar Joint Stock Company**

We have audited the accompanying financial statements prepared on 25 February 2022 of Quang Ngai Sugar Joint Stock Company ("the Company") as set out on pages 7 to 43, which comprise the balance sheet as at 31 December 2021, the income statement, statement of cash flows, and notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

The Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

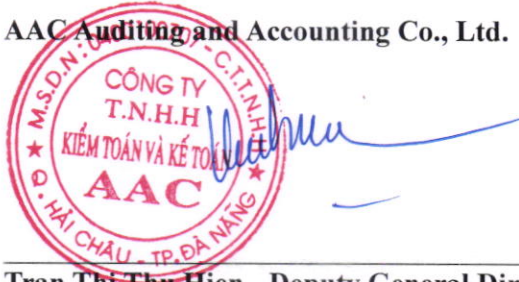
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

Emphasis of Matter

We draw attention to Note 3 to the financial statements that the accompanying financial statements are the 2021 separate financial statements of the Company. These financial statements should be read in conjunction with the 2021 consolidated financial statements in order to obtain complete information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

Our audit opinion is not qualified in respect of this matter.

AAC Auditing and Accounting Co., Ltd.



Tran Thi Thu Hien - Deputy General Director
Audit Practicing Registration Certificate
No. 0753-2018-010-1
Da Nang City, 25 February 2022

Do Thi Thanh Van - Auditor
Audit Practicing Registration Certificate
No. 1483-2018-010-1

BALANCE SHEET
As at 31 December 2021

Form B 01 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2021 VND	01/01/2021 VND
A. CURRENT ASSETS	100		5,322,709,632,245	4,183,644,033,513
I. Cash and cash equivalents	110		178,527,322,546	419,589,966,019
1. Cash	111	5	178,527,322,546	419,589,966,019
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		3,923,000,000,000	2,639,000,000,000
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6.a	3,923,000,000,000	2,639,000,000,000
III. Short-term receivables	130		385,782,029,329	263,747,647,385
1. Short-term trade receivables	131	7	99,559,792,957	79,872,224,071
2. Short-term prepayments to suppliers	132	8	260,821,323,529	165,599,368,239
3. Other short-term receivables	136	9.a	41,360,203,109	32,387,315,965
4. Provision for doubtful debts	137	10	(15,959,290,266)	(14,111,260,890)
IV. Inventories	140	11	816,108,143,792	842,703,815,600
1. Inventories	141		817,696,873,548	842,703,815,600
2. Provision for obsolete inventories	149		(1,588,729,756)	-
V. Other current assets	150		19,292,136,578	18,602,604,509
1. Short-term prepaid expenses	151	12.a	17,403,657,957	17,022,161,150
2. Deductible VAT	152		1,523,202,189	1,554,657,847
3. Taxes and amounts receivable from the State	153	18	365,276,432	25,785,512
B. LONG-TERM ASSETS	200		5,351,994,284,648	5,762,312,429,956
I. Long-term receivables	210		786,569,947	412,183,710
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9.b	786,569,947	412,183,710
II. Fixed assets	220		4,285,197,336,022	3,806,926,338,953
1. Tangible fixed assets	221	13	4,273,476,385,123	3,790,512,715,213
- Cost	222		8,939,411,452,990	8,229,193,502,294
- Accumulated depreciation	223		(4,665,935,067,867)	(4,438,680,787,081)
2. Intangible fixed assets	227	14	11,720,950,899	16,413,623,740
- Cost	228		62,343,137,395	57,416,442,595
- Accumulated amortization	229		(50,622,186,496)	(41,002,818,855)
III. Investment property	230		-	-
IV. Non-current assets in progress	240		46,712,984,551	928,433,147,969
1. Long-term work in process	241		-	-
2. Construction in progress	242	15	46,712,984,551	928,433,147,969
V. Long-term financial investments	250	6.b	800,000,000,000	800,000,000,000
1. Investments in subsidiary	251		800,000,000,000	800,000,000,000
2. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		219,297,394,128	226,540,759,324
1. Long-term prepaid expenses	261	12.b	219,297,394,128	226,540,759,324
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		10,674,703,916,893	9,945,956,463,469

BALANCE SHEET (cont'd)

As at 31 December 2021

RESOURCES	Code	Note	31/12/2021 VND	01/01/2021 VND
C. LIABILITIES	300		2,885,075,820,535	2,673,695,664,495
I. Current liabilities	310		2,823,545,339,561	2,655,370,343,940
1. Short-term trade payables	311	16	363,762,300,188	382,521,322,173
2. Short-term advances from customers	312	17	41,088,676,453	38,480,642,165
3. Taxes and amounts payable to the State budget	313	18	60,581,180,721	125,453,941,054
4. Payables to employees	314		102,109,034,770	124,277,942,109
5. Short-term accrued expenses	315	19	3,754,021,957	3,045,149,728
6. Short-term unearned revenue	318		18,181,818	-
7. Other short-term payables	319	20.a	149,114,065,423	189,143,682,426
8. Short-term loans and finance lease liabilities	320	21	2,032,288,120,686	1,723,009,678,809
9. Reward and welfare fund	322		70,829,757,545	69,437,985,476
II. Long-term liabilities	330		61,530,480,974	18,325,320,555
1. Other long-term payables	337	20.b	10,795,747,715	11,085,657,724
2. Science and technology development fund	343	22	50,734,733,259	7,239,662,831
D. EQUITY	400		7,789,628,096,358	7,272,260,798,974
I. Owners' equity	410	23	7,789,628,096,358	7,272,260,798,974
1. Share capital	411	23	3,569,399,550,000	3,569,399,550,000
- Common shares with voting rights	411a		3,569,399,550,000	3,569,399,550,000
- Preferred shares	411b		-	-
2. Share premium	412	23	353,499,663,780	353,499,663,780
3. Investment and development fund	418	23	638,166,434,928	606,577,096,243
4. Undistributed profit	421	23	3,228,562,447,650	2,742,784,488,951
- Undistributed profit up to prior year-end	421a		1,986,785,460,704	1,816,903,960,126
- Undistributed profit this year	421b		1,241,776,986,946	925,880,528,825
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		10,674,703,916,893	9,945,956,463,469



Vo Thanh Dang
General Director

Quang Ngai Province, 25 February 2022

Nguyen The Binh
Chief Accountant

Tran Thi Xuan Hien
Preparer

INCOME STATEMENT
For the year ended 31 December 2021

Form B 02 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2021 VND	Year 2020 VND
1. Revenue from sales and service provision	01	25	7,109,502,167,211	6,241,287,659,518
2. Deductions	02	26	34,807,293,137	27,798,195,946
3. Net revenue from sales and service provision	10		7,074,694,874,074	6,213,489,463,572
4. Cost of goods sold	11	27	4,836,615,847,642	4,193,662,505,059
5. Gross profit from sales and service provision	20		2,238,079,026,432	2,019,826,958,513
6. Financial income	21	28	311,264,421,580	194,444,716,865
7. Financial expenses	22	29	66,281,156,486	71,847,485,893
<i>Including: Interest expense</i>	23		65,880,925,449	71,041,570,755
8. Selling expenses	25	30.a	674,749,675,598	627,174,280,551
9. Administrative expenses	26	30.b	249,868,959,881	230,818,746,809
10. Operating profit	30		1,558,443,656,047	1,284,431,162,125
11. Other income	31	31	53,728,595,569	38,140,987,044
12. Other expenses	32	32	6,819,431,844	5,044,355,138
13. Other profit	40		46,909,163,725	33,096,631,906
14. Accounting profit before tax	50		1,605,352,819,772	1,317,527,794,031
15. Current corporate income tax expense	51	33	185,105,855,326	213,177,287,706
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		1,420,246,964,446	1,104,350,506,325



Vo Thanh Dang
General Director

Quang Ngai Province, 25 February 2022

Nguyen The Binh
Chief Accountant


Tran Thi Xuan Hien
Preparer


STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

Form B 03 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Year 2021	Year 2020
		VND	VND
I. Cash flows from operating activities			
1. Net profit before tax	01	1,605,352,819,772	1,317,527,794,031
2. Adjustments for			
- Depreciation and amortization	02	473,763,564,458	471,190,942,898
- Provisions	03	3,436,759,132	1,922,099,561
- Foreign exchange gain/loss from revaluation of foreign currency balances	04	(120,747,728)	570,063,420
- (Profits)/losses from investing activities	05	(301,628,478,108)	(171,778,864,949)
- Interest expense	06	65,880,925,449	71,041,570,755
- Other adjustments	07	50,000,000,000	10,000,000,000
3. Operating profit before changes in working capital	08	1,896,684,842,975	1,700,473,605,716
- Decrease/increase in receivables	09	(122,760,214,882)	(42,326,372,427)
- Decrease/increase in inventories	10	25,006,942,052	(182,460,095,012)
- Decrease/increase in payables	11	(21,279,545,476)	72,295,168,210
- Decrease/increase in prepaid expenses	12	2,101,725,494	(8,598,417,760)
- Interest paid	14	(65,676,720,111)	(71,529,594,551)
- Corporate income tax paid	15	(250,281,179,789)	(225,852,028,419)
- Other payments for operating activities	17	(15,184,289,853)	(18,005,781,949)
Net cash provided by operating activities	20	1,448,611,560,410	1,223,996,483,808
II. Cash flows from investing activities			
1. Purchases of fixed assets and other long-term assets	21	(113,608,422,334)	(198,582,596,557)
2. Proceeds from disposals of fixed assets and other long-term assets	22	18,675,265,828	5,332,015,001
3. Cash paid for loans, acquisition of debt instruments	23	(2,389,049,408,219)	(1,661,000,000,000)
4. Recovery of loans, sales of debt instruments	24	1,105,049,408,219	1,682,000,000,000
5. Received loan interest, dividends, profits	27	273,143,183,798	168,689,652,688
Net cash used in investing activities	30	(1,105,789,972,708)	(3,560,928,868)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	5,454,981,707,993	4,700,769,619,517
2. Repayment of loan principals	34	(5,145,703,266,116)	(4,642,491,961,212)
3. Dividends, profit paid to owners	36	(892,995,885,600)	(1,070,151,303,925)
Net cash used in financing activities	40	(583,717,443,723)	(1,011,873,645,620)
Net cash flows for the year	50	(240,895,856,021)	208,561,909,320
Cash and cash equivalents at the beginning of the year	60	419,589,966,019	211,157,417,797
Impacts of exchange rate fluctuations	61	(166,787,452)	(129,361,098)
Cash and cash equivalents at the end of the year	70	178,527,322,546	419,589,966,019


Vo Thanh Dang
General Director


Nguyen The Binh
Chief Accountant


Tran Thi Xuan Hien
Preparer

Quang Ngai Province, 25 February 2022

The notes on pages 11 to 43 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
(These notes form part of and should be read in conjunction
with the accompanying financial statements)

Form B 09 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Quang Ngai Sugar Joint Stock Company (“the Company”) is incorporated on the basis of equitizing the State-Owned Enterprise (Quang Ngai Sugar Company belonging to the Ministry of Agriculture and Rural Development) under Decision No. 2610/QD/BNN-DMDN dated 30/9/2005 by the Minister of Agriculture and Rural Development. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being the Enterprise Registration Certificate) No. 3403000079 issued by the Department of Planning and Investment of Quang Ngai Province on 28/12/2005, the Enterprise Law, its Charter and relevant regulations. Since the establishment date, the Enterprise Registration Certificate (the current number is 4300205943) has been amended 23 times and the most recent amendment was made on 22/03/2021.

1.2. Principal scope of business: *Industrial manufacture and commercial trading/service/construction/multi-industry business.*

1.3. Operating activities

- Processing milk and products from milk. Detail: Processing soya milk and products from soya milk;
- Restaurants and mobile food service activities;
- Manufacturing sugar;
- Manufacturing pastry cooks’ products from flours;
- Manufacturing fertilizer and nitrogen compounds. Detail: Manufacturing inorganic, microbial fertilizers;
- Other food serving activities;
- Installing industrial machinery and equipment;
- Wholesale of beverages. Detail: Trading beer, beverages;
- Sewerage and waste water treatment;
- Repairing machinery and equipment;
- Other specialized construction activities;
- Wholesale of food. Detail: Trading sugar, honey, milk, confectionary;
- Exploiting, treating and supplying water. Detail: Exploiting mineral water;
- Manufacturing malt liquors and malt;
- Manufacturing non-alcoholic beverages, mineral waters. Detail: Manufacturing soft drinks and mineral water;
- Warehousing and storage;
- Post-harvest crop activities;
- Support activities for crop production. Detail: Planting sugar cane;
- Real estate activities with own or leased property;
- Machining; treatment and coating of metals. Detail: Machining mechanical products for manufacture and civil industries;
- Freight transport by road;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

- Short-term accommodation activities;
- Manufacturing agricultural and forestry machinery. Detail: Trading and manufacturing tools of agricultural machinery;
- Manufacturing other special-purpose machinery. Detail: Manufacturing machinery for planting, growing and harvesting sugar cane;
- Other specialized wholesale n.e.c. Detail: Trading inorganic fertilizers, microbial fertilizers; Trading glass bottles, plastic boxes; Trading sugar cane as seedlings, raw materials, ethanol, glucose syrup; Trading finished products, wastes from sugar processing such as: molasses, soy bean residue, malt in beer, bagasse, press mud;
- Manufacturing other food products n.e.c. Detail: Manufacturing, trading glucose syrup; Manufacturing, trading ethanol such as food ethanol, fuel ethanol, denatured fuel ethanol, industrial ethanol; Manufacturing and trading food CO₂ and industrial CO₂;
- Manufacture of structural metal products;
- Manufacture of tanks, reservoirs and containers of metal;
- Manufacture of steam generators (except central heating hot water boilers);
- Forging, pressing, stamping and roll-forming of metal; powder metallurgy;
- Manufacture of lifting and handling equipment;
- Electrical system installation;
- Plumbing, heat and air-conditioning system installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading in soybean seeds, raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Detail: Growing of soybeans;
- Growing of oil seeds;
- Seed processing for propagation;
- Other mining and quarrying n.e.c.;
- Other professional, scientific and technical activities n.e.c. Detail: Agronomic consultancy;
- Organization of conventions and trade shows;
- Packaging activities (except packaging of plant protection drugs);
- Site preparation. Detail: Filling, grading, excavating land, building infield ditch roads and traffic of sugar cane area;
- Manufacturing gas; distributing gaseous fuels through mains. Detail: Manufacturing and supplying biogas and steam gas;
- Landscape care and maintenance service;
- Manufacturing cocoa, chocolate and sugar confectionery;
- Propagation and growing of industrial cultivars. Detail: Propagation and growing of sugar cane; Propagation and growing of soybean trees;
- Generating electricity;
- Construction of other civil engineering projects;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

- Research and experimental development on natural sciences;
- Research and experimental development on engineering and technology.

1.4. Normal operating cycle

The Company's normal operating cycle is 12 months. The normal operating cycle of An Khe Sugar Factory, An Khe Biomass Power Plant and Pho Phong Sugar Factory is seasonal and from October of the preceding year to May of the following year.

1.5. Significant event in the year that affects the financial statements

In 2021, Vietnam was severely affected by the Covid-19 pandemic. The Government applied strict measures to contain the outbreak, including movement restrictions, border controls and distancing. Therefore, the operating activities of enterprises were adversely impacted. The Company's Management has evaluated the possible effects of the Covid-19 pandemic on the Company's operations and subsequently has devised and adopted appropriate plans to control the situation and ensure the stability of the Company's operations.

1.6. Company structure

As at 31/12/2021, the Company had 16 dependent units which do independent accounting and one subsidiary as follows:

Dependent units

- Dung Quat Beer Factory;
- An Khe Agricultural and Mechanical Workshop;
- Viet Nam Soya Milk Factory - VINASOY;
- Viet Nam Soya Milk Factory - VINASOY Bac Ninh;
- Viet Nam Soya Milk Factory - VINASOY Binh Duong;
- VINASOY Soybean Research and Application Center;
- VINASOY Soybean Research and Development Center (*);
- Pho Phong Sugar Factory;
- Environment and Clean Water Center;
- An Khe Sugar Factory;
- An Khe Biomass Power Plant;
- Candy And Biscuit Factory- BISCAFUN;
- Thach Bich Mineral Water Factory;
- Quang Ngai Glucose Syrup Factory;
- Mechanical Factory;
- Gia Lai Sugarcane Seed Study and Application Center.

(*) On 05/04/2021, the Company converted Quang Ngai Sugarcane Variety Research Center into VINASOY Soybean Research and Development Center.

Due to the shrinking of the sugarcane growing area in Quang Ngai Province, Pho Phong Sugar Factory temporarily halted its production and processing of sugar from sugarcane in 2021.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

Subsidiary

Company name	Address	Principal activities	% holding and voting right
Thanh Phat Trade Limited Company	02 Nguyen Chi Thanh, Quang Ngai City	Trading	100%

2. Accounting period, currency used in accounting

The Company's annual accounting period is from 01 January to 31 December.

Currency unit used for accounting records and presented in the financial statements is Vietnamese Dong (VND).

3. Applied accounting standards and system

The Company adopts the Vietnamese Corporate Accounting System, which was guided under Circular No. 200/2014/TT-BTC dated 22/12/2014 and Vietnamese Accounting Standards promulgated by the Ministry of Finance.

As at 31/12/2021, the Company has a subsidiary, thus in 2021, the Company concurrently prepared both the Company's separate financial statements and consolidated financial statements. These separate financial statements should be read in conjunction with the 2021 consolidated financial statements in order to obtain complete information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

4. Summary of significant accounting policies

4.1 Exchange rate difference applied in accounting

Transactions denominated in foreign currency are translated into VND using the actual exchange rate announced by the commercial bank where the Company anticipates conducting transactions on the date of the transactions.

At the balance sheet date, monetary items denominated in foreign currency which are classified as assets are revaluated using the purchasing exchange rate and monetary items denominated in foreign currency which are classified as liabilities are revaluated using the selling exchange rate of the commercial bank where the Company regularly conducts transactions at the time of the financial statements. For foreign currency deposited in bank, the exchange rate upon revaluation is the purchase exchange rate of the bank where the Company opens foreign currency accounts.

Exchange rate differences are treated in accordance with the provisions of Vietnamese Accounting Standards No. 10 "Impacts of exchange rate fluctuations". Accordingly, foreign exchange differences arising during the year and exchange rate differences resulting from revaluating the closing balances of monetary items denominated in foreign currencies are recorded in the income statement of the fiscal year.

4.2 Cash and cash equivalents

Cash includes: cash on hand, demand deposits and cash in transit.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

Cash equivalents are short-term investments which are collectible or mature within 3 months at the date of purchase, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date.

4.3 Financial investments

Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to re-buy them at a certain time in the future and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of investments.

Investments in subsidiaries

Subsidiaries are entities controlled by the Company. The subsidiary-parent company relationship is represented through the fact that the Company holds (directly or indirectly) over 50% voting shares in the subsidiary and has the power to govern the financial and operating policies of the subsidiary.

Investments in subsidiaries are recorded at cost less provision. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

Provision

Provision for investments in subsidiaries is made if these investments are impaired or the investees suffer losses leading to the irrecoverability of the Company's investments.

With regards to the investees who are required to prepare the consolidated financial statements, the provision is made based on the consolidated financial statements. For other cases, the provision is made based on the financial statements of the investees.

4.4 Receivables

Receivables include trade receivables and other receivables.

- Trade receivables include commercial receivables generating from purchase-sale related transactions between the Company and buyers;
- Other receivables include non-commercial receivables, receivables not related to purchase-sale and intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or running away.

4.5 Inventories

Inventories are stated at the lower of cost and net realizable value.

Value of inventories is calculated using the weighted average method and accounted for using the perpetual method with cost determined as follows:

- Materials, goods: Cost comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

- Finished products: Cost comprises costs of direct materials and labour plus attributable overhead based on the normal level of activities.

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

4.6 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

Depreciation

Depreciation of fixed assets is calculated in accordance with the straight-line method over their estimated useful lives. Depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. The Company accelerates the depreciation of machinery, equipment, office equipment and motor vehicles but not more than 2 times of the depreciation rate by the straight-line method. Details are as follows:

<u>Kind of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 - 25
Machinery, equipment	3 - 15
Motor vehicles	3 - 10
Office equipment	3 - 10

4.7 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.

Land use rights

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The prepaid land rent (has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least five years) for the land rent contract before the

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

effective date of the Land Act 2003 and being granted with certificate of land use right by the competent authority.

The cost of land use right includes all the costs directly attributable to the putting of land into the ready-for-use state.

Amortization

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Other intangible fixed assets are amortized in accordance with the straight-line method based on their estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kind of assets</u>	<u>Amortization period (years)</u>
Land use rights with definite term	15
Accounting software	1.5 - 3

4.8 Asset leases

An operating lease is a lease in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

4.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company's primary prepayments are as follows:

- Land rental and all costs related to the leased land are amortized in accordance with the straight-line method over the term of the lease;
- Tools, instruments, empty bottles, boxes which were put into use are amortized in accordance with the straight-line method for a period ranging from 1 year to 3 years;
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.10 Payables

Payables include trade payables and other payables.

- Trade payables are trade-related amounts, arising from trading activities between the Company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on their remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and currencies.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

4.11 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

4.12 Unearned revenue

Unearned revenue of the Company is amounts paid in advance for one or many accounting periods for services rendered to customers that are amortized over the period for which the Company has received the payment in advance.

4.13 Loans and finance lease liabilities

Loans and finance lease liabilities are reflected at cost and classified into current liabilities and long-term liabilities based on their remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and currencies.

Borrowing costs

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for the purpose of obtaining a qualifying asset shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

Capitalisation of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4.14 Scientific and technological development fund

Scientific and technological development fund is established by the Company to form finance source to invest in its activities of science and technology through activities of research, application and development, technology innovation, product innovation, production rationalization in order to improve the competitiveness of the Company.

The appropriation of provision for and use of Scientific and technological development fund from 01/01/2016 to 31/08/2016 are guided by Circular No. 15/2011/TT-BTC dated 09/02/2011 and Circular No. 105/2012/TT-BTC dated 25/06/2012 by the Ministry of Finance. For fixed assets purchased from the Scientific and technological development fund after being certified by the local Science and Technology Department, the Company makes entries for decreasing the Scientific and technological development fund and increasing the accumulated depreciation of fixed assets by the entire cost of those fixed assets.

As from 01/09/2016, the Company has used and made provision for Scientific and technological development fund in accordance with Joint Circular No. 12/2016/TTLT-BKHHCN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

4.15 Owners' equity

Share capital represents the amount of capital actually contributed by shareholders.

Share premium

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares; the capital component of convertible bonds as they fall due.

Profit distribution

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Resolution of Annual General Shareholders' Meeting.

The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

4.16 Recognition of revenue and other income

- Revenue from construction contracts:
 - ✓ In the case where it is stipulated in the contract that contractors make payments upon the work's progress, revenue and expenses are recorded for completed portion when the contract outcome is estimated reliably;
 - ✓ In the case where the contract stipulates that contractors make payment upon the work volume, revenue and expenses are recognized for the completed portion confirmed by the customer when the contract outcome is measured reliably.
- Revenue from sales and service provision is recognized to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and the following conditions are also met:
 - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;
 - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interests are recognized on the basis of the actual term and interest rates;
 - ✓ Dividends and profits shared are recognized when the Company assumes the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.17 Revenue deductions

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

Revenue deductions include trade discounts, sales rebates and sales returns.

In case where revenue is recognized in during the year but the corresponding revenue deductions arise after the balance sheet date, revenue shall be decreased in accordance with the following principles:

- If the corresponding deductions arise before the date of releasing the financial statements, they shall be charged against revenue of the reporting year;
- If the corresponding revenue deductions arise after the date of releasing the financial statements, they shall be charged against revenue of the next reporting year.

4.18 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the right period in accordance with the matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

4.19 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and expenses of other investing activities.

4.20 Selling expenses, administrative expenses

Selling expenses reflect expenses actually incurred in process of selling products, goods, rendering services.

Administrative expenses reflect expenses actually incurred related to the overall administration of enterprises.

4.21 Current income tax expense, deferred income tax expense

Corporate income tax expenses include current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income in the period at the tax rates ruling at the balance sheet date. The difference between taxable income and accounting profit is due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

4.22 Financial instruments

Initial recognition

Financial assets

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets include cash on hand, cash in bank, trade receivables, other receivables and financial investments.

Financial liabilities

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities include loans, trade payables, accrued expenses and other payables.

Subsequent measurement

Currently, there has been no requirement for subsequent measurement of financial instruments.

4.23 Tax rates and charges payable to the State Budget which the Company is applying

- Value Added Tax (VAT):
 - ✓ 5% is applicable to sugar, molasses, ethanol, malt.
 - ✓ 10% is applicable to mineral water, confectionery, milk, beer, packages, commercial electricity, advertising services and sales of wastes.
 - ✓ Other products, services are subject to prevailing tax rates.
- Special consumption tax: A tax rate of 65% is applicable to beer.
- Natural resources tax:
 - ✓ Activity of exploiting mineral water at VND325,000/m³ x tax rate (10%);
 - ✓ Activity of exploiting Tra Khuc River water at VND4,000/m³ x tax rate (1%).
- Corporate Income Tax (CIT):

Applicable CIT rate is 20%.

Incentives for some dependent units are listed below:

 - ✓ Agricultural and Mechanical Workshop: Income from the activity of ploughing land is free of tax.
 - ✓ VINASOY Soybean Research and Development Center (Nghia Hanh District, Quang Ngai Province): tax rate of 10% is applicable to the activities of planting and processing farm produce in area with difficult socio-economic conditions.
 - ✓ An Khe Sugar Factory (An Khe Town, Gia Lai Province):
 - + For income from processing farm produce: CIT exemption is applicable to income from processing farm produce in area with extremely difficult socio-economic conditions.
 - + For other income from production and business activities: CIT rate of 10% is applicable for 15 years (from 2006 to 2020).
 - + For the project of "Investment in RE refined sugar production line" which is a new investment project in the area with extremely difficult socio-economic conditions (with project code No. 4022187241 pursuant to Investment Registration Certificate dated 13/05/2019), CIT incentives would be applied as below:
 - CIT would be levied at the rate of 10% for the first 15 years of revenue generation from the project. In 2021, the Company generated revenue from the project. Hence, CIT rate of 10% would be applied from 2021 to 2035.
 - CIT would be waived for 4 years and would be halved for the succeeding 9 years starting from the time of taxable income derivation from the project. In 2021, the Company derived taxable income from the project. Hence, the Company would enjoy CIT exemption from 2021 to 2024 and 50% CIT liability reduction from 2025 to 2033.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

- ✓ Pho Phong Sugar Factory: tax rate of 15% is applicable to income from the activity of processing farm produce in area without difficult socio-economic conditions or extremely difficult socio-economic conditions.
 - ✓ Viet Nam Soya Milk Factory - VINASOY Bac Ninh has the expansion investment project which was invested from 2009 to 2013, satisfying conditions for tax incentives as regulated and are entitled to tax incentives for the remaining time as from the tax-calculation year of 2015. For investment after 2014 satisfying conditions for tax incentives as regulated, the factory shall enjoy incentives for new investment. Accordingly, the factory is entitled to tax exemption for 2 years and 50% reduction of tax amount payable in the subsequent 4 years with respect to income from the expansion investment project as from 2016.
 - ✓ Viet Nam Soya Milk Factory - VINASOY Binh Duong has the new investment project in 2016 satisfying conditions for tax incentives as regulated shall enjoy incentives for new investment. Accordingly, the factory is entitled to tax exemption for 2 years and 50% reduction of tax amount payable in the subsequent 4 years for income from new investment project as from 2017.
 - ✓ Thach Bich Mineral Water Factory has the expansion investment project which was invested in 2017. Accordingly, the factory is entitled to tax exemption for 2 years and 50% reduction of tax amount payable in the subsequent 4 years with respect to income from the expansion investment project as from 2017.
 - ✓ An Khe Biomass Power Plant has the new investment project in the area with extremely difficult socio-economic conditions. Accordingly, the factory is entitled to the tax rate of 10% for 15 years (from 2018 to 2032), tax exemption for 4 years (from 2018 to 2021) and 50% reduction of tax amount payable in the subsequent 9 years (from 2022 to 2030).
 - ✓ Gia Lai Sugarcane Seed Study and Application Center: CIT exemption is applicable to the activities of planting and processing farm produce in area with extremely difficult socio-economic conditions.
- Other taxes and charges are paid in accordance with relevant regulations.

4.24 Related parties

Parties are considered to be related if one party has the ability to (directly or indirectly) control the other party or exercise significant influence over the other party in making financial or operational decisions.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

Unit: VND

5. Cash

	31/12/2021		01/01/2021	
Cash on hand		26,918,307,671		16,736,433,621
+ VND		26,893,927,671		16,714,213,621
+ Monetary gold (SJC gold bars)	4 bars	24,380,000	4 bars	22,220,000
Cash in bank		151,609,014,875		402,853,532,398
+ VND		141,539,423,301		401,751,056,553
+ USD	445,777.23 #	10,069,574,537	47,901.40 #	1,102,143,682
+ EUR	0.67 #	17,037	11.86 #	332,163
Total		178,527,322,546		419,589,966,019

6. Financial investments

a. Held-to-maturity investments

	31/12/2021	01/01/2021
Term deposits	3,923,000,000,000	2,639,000,000,000
Total	3,923,000,000,000	2,639,000,000,000

As at 31/12/2021, held-to-maturity investments of the Company are bank deposits with term ranging from 6 months to 1 year. The Management assesses that these investments are not impaired.

b. Investment in subsidiary

	31/12/2021				01/01/2021	
	% holding	Voting rate	Cost	Provision	Cost	Provision
Investment in subsidiary			800,000,000,000	-	800,000,000,000	-
- Thanh Phat Trade Limited Company	100%	100%	800,000,000,000		800,000,000,000	
Total			800,000,000,000	-	800,000,000,000	-

The 2021 income statement of Thanh Phat Trade Limited Company shows profit and no accumulated loss as at 31/12/2021. As a result, this investment is recognized at cost and no provision is made for it.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

7. Short-term trade receivables

	31/12/2021	01/01/2021
MM Mega Market (Vietnam) Company Limited	2,536,105,330	1,972,675,761
EB Service Co., Ltd	2,371,531,320	3,960,934,685
Vietnam Electricity	23,388,506,349	17,765,891,848
Tetra Pak Vietnam Joint Stock Company	36,300,000,000	34,463,000,000
FRIESLANDCAMPINA Ha Nam Co., Ltd	5,633,177,970	-
Other customers	29,330,471,988	21,709,721,777
Total	<u>99,559,792,957</u>	<u>79,872,224,071</u>

8. Short-term prepayments to suppliers

	31/12/2021	01/01/2021
Prepayments to farmers for buying sugarcane	240,118,490,215	142,705,451,606
Other suppliers	20,702,833,314	22,893,916,633
Total	<u>260,821,323,529</u>	<u>165,599,368,239</u>

9. Other receivables

a. Short-term

	31/12/2021		01/01/2021	
	Value	Provision	Value	Provision
Bank interest receivables	33,285,568,494	-	23,466,126,027	-
Advances	1,542,212,577	-	1,753,502,404	-
Deposits, collaterals	143,753,255	-	357,293,787	-
Other receivables	6,388,668,783	18,451,050	6,810,393,747	18,451,050
Total	<u>41,360,203,109</u>	<u>18,451,050</u>	<u>32,387,315,965</u>	<u>18,451,050</u>

b. Long-term

	31/12/2021		01/01/2021	
	Value	Provision	Value	Provision
Deposits, collaterals	786,569,947	-	412,183,710	-
Total	<u>786,569,947</u>	<u>-</u>	<u>412,183,710</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

10. Provision for doubtful debts

a. Short-term

	31/12/2021	01/01/2021
Provision for overdue receivable debts		
- From 3 years and over	12,412,098,004	11,846,164,812
- From 2 years to under 3 years	804,215,632	403,282,790
- From 1 year to under 2 years	2,029,048,418	604,260,737
- Over 6 months to under 1 year	713,928,212	1,257,552,551
Total	15,959,290,266	14,111,260,890

b. Bad debts

Overdue receivable debts	31/12/2021			01/01/2021		
	Cost	Recoverable amount (*)	Overdue period	Cost	Recoverable amount (*)	Overdue period
- Trinh Van Hung	478,245,050		- Over 3 years	478,245,050		- Over 3 years
- Energy and Technology Development Company	750,000,000		- Over 3 years	750,000,000		- Over 3 years
- Pham Thi Chinh	117,903,750		- Over 3 years	117,903,750		- Over 3 years
- Vietnam Vinashin Mechanical Company	140,732,500		- Over 3 years	140,732,500		- Over 3 years
- Thuan Thanh Co., Ltd	272,811,481		- Over 3 years	272,811,481		- Over 3 years
- Nguyen Tai Danh	175,416,672		- Over 3 years	175,416,672		- Over 3 years
- Others	17,279,489,268	3,255,308,455	0,5 - 21 years	15,887,536,941	3,711,385,504	0,5 - 20 years
Total	19,214,598,721	3,255,308,455		17,822,646,394	3,711,385,504	

(*) The Company assesses that recoverable amount is the net of outstanding principal balance less the amount of provision that needs to be appropriated as guided in Circular No. 48/2019/TT-BTC dated 08/08/2019 by the Ministry of Finance.

11. Inventories

	31/12/2021		01/01/2021	
	Cost	Provision	Cost	Provision
Goods in transit	60,020,345,714	-	36,080,715,339	-
Materials, raw materials	580,684,042,700	747,552,679	504,424,649,821	-
Tools, instruments	11,717,364,060	-	6,960,068,293	-
Work in process	28,356,905,191	-	70,838,218,894	-
Finished products	132,213,276,842	841,177,077	211,230,574,057	-
Merchandise goods	2,943,727,684	-	12,295,032,674	-
Goods on consignment	1,761,211,357	-	874,556,522	-
Total	817,696,873,548	1,588,729,756	842,703,815,600	-

- Value of inventories that were unsellable, of poor quality or slow-moving as at 31/12/2021 was VND1,588,729,756.
- No inventories were mortgaged and pledged as security for debts as at 31/12/2021.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

12. Prepaid expenses

a. Short-term

	31/12/2021	01/01/2021
Operating lease of fixed assets	170,059,354	123,636,360
Tools and instruments put into use pending allocation	9,301,238,688	6,112,113,990
Others	7,932,359,915	10,786,410,800
Total	17,403,657,957	17,022,161,150

b. Long-term

	31/12/2021	01/01/2021
Land lease	180,178,626,401	184,938,769,296
Tools and instruments put into use pending allocation	14,495,926,575	20,524,082,420
Bottles, cases	8,492,940,503	5,606,178,273
Others	16,129,900,649	15,471,729,335
Total	219,297,394,128	226,540,759,324

13. Tangible fixed assets

	Buildings, architectures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Beginning balance	1,383,059,886,519	6,460,799,053,718	287,986,073,262	97,348,488,795	8,229,193,502,294
Newly-purchased	273,379,701	5,041,889,362	-	2,037,666,363	7,352,935,426
Self-constructed	151,615,951,266	772,371,693,434	2,069,416,989	9,268,660,364	935,325,722,053
Fixed assets from STDF	103,870,000	33,257,550	-	-	137,127,550
Sold, disposed	20,847,375,411	208,388,220,863	3,280,738,059	81,500,000	232,597,834,333
Ending balance	1,514,205,712,075	7,029,857,673,201	286,774,752,192	108,573,315,522	8,939,411,452,990
Depreciation					
Beginning balance	808,554,424,819	3,375,322,581,646	179,015,124,577	75,788,656,039	4,438,680,787,081
Increase in the year	89,729,334,285	349,420,235,251	11,651,003,327	9,042,128,271	459,842,701,134
- Depreciation	89,715,058,088	349,415,664,236	11,651,003,327	8,643,994,938	459,425,720,589
- Using STDF	14,276,197	4,571,015	-	398,133,333	416,980,545
Sold, disposed	20,837,961,426	208,388,220,863	3,280,738,059	81,500,000	232,588,420,348
Ending balance	877,445,797,678	3,516,354,596,034	187,385,389,845	84,749,284,310	4,665,935,067,867
Net book value					
Beginning balance	574,505,461,700	3,085,476,472,072	108,970,948,685	21,559,832,756	3,790,512,715,213
Ending balance	636,759,914,397	3,513,503,077,167	99,389,362,347	23,824,031,212	4,273,476,385,123

- As at 31/12/2021, tangible fixed assets with a carrying value of VND600,024,392 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use as at 31/12/2021 was VND2,660.875,322,012.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

14. Intangible fixed assets

	Land use rights	Computer software	Total
Cost			
Beginning balance	2,474,678,545	54,941,764,050	57,416,442,595
Newly-purchased	-	4,926,694,800	4,926,694,800
Other decrease	-	-	-
Ending balance	2,474,678,545	59,868,458,850	62,343,137,395
Amortization			
Beginning balance	751,838,051	40,250,980,804	41,002,818,855
Charge for the year	89,982,203	9,529,385,438	9,619,367,641
- Amortization	89,982,203	9,487,718,771	9,577,700,974
- Using STDF	-	41,666,667	41,666,667
Other decrease	-	-	-
Ending balance	841,820,254	49,780,366,242	50,622,186,496
Net book value			
Beginning balance	1,722,840,494	14,690,783,246	16,413,623,740
Ending balance	1,632,858,291	10,088,092,608	11,720,950,899

- No intangible fixed assets were mortgaged as collateral for debts as at 31/12/2021.
- Cost of intangible fixed assets fully amortized but still in active use as at 31/12/2021 was VND41,953,604,175.

15. Construction in progress

	31/12/2021	01/01/2021
Purchases	12,496,895,837	6,490,285,153
- Land of households	12,496,895,837	6,490,285,153
Constructions	34,216,088,714	921,942,862,816
- Project on expanding An Khe Sugar Factory 18,000TMN	262,707,865	29,026,192,827
- Biomass thermal power plant project	6,445,620,492	15,853,099,013
- RE refined sugar project	19,891,810,478	874,667,721,043
- Others	7,615,949,879	2,395,849,933
Total	46,712,984,551	928,433,147,969

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

16. Short-term trade payables

	31/12/2021	01/01/2021
Asia Packing Industries Vietnam Co., Ltd.	10,060,028,480	10,125,886,595
Khatoco Package Printing JSC	7,998,353,896	9,249,572,524
Tetra Pak Vietnam JSC	7,884,571,138	7,804,396,337
WPP Media Co., Ltd.	-	18,715,122,802
Vietnam Japan Fertilizer Company	14,670,000,000	11,770,000,000
Asia Chemical Corporation	7,152,838,000	7,708,167,500
Kinh Bac Packaging JSC	3,200,304,250	2,272,466,684
TKL Corporation	42,505,829,988	-
Minh Thong Production and Trading Co., Ltd.	1,790,102,050	2,701,513,650
Technology Development & Application Co., Ltd	113,113,552,660	130,642,075,208
Urban & Industrial Zone Construction JSC	394,623,800	4,651,956,950
Nguyen Lieu Technical & Trading Co., Ltd	1,824,734,851	3,681,569,310
Others	153,167,361,075	173,198,594,613
Total	363,762,300,188	382,521,322,173

17. Short-term advances from customers

	31/12/2021	01/01/2021
KV2 - Hoang Trung Trading Co. Ltd	123,837,597	1,124,642,546
TH Ngoc Anh Service and Trading Co., Ltd	1,412,597,022	-
Binh Huy Hoang Co., Ltd	1,173,357,951	202,396,575
Thanh Hanh Iron Rolling Co., Ltd	-	4,485,182,000
TTC Bien Hoa - Dong Nai Sugar One Member Co., Ltd	-	2,725,000,000
Lan Son Trading Co., Ltd	1,127,282,299	225,504,307
Thang Thuy Trading and Service Co., Ltd	504,453,837	837,952,406
Viet Chien Transport Co., Ltd	962,313,398	136,217,224
Others	35,784,834,349	28,743,747,107
Total	41,088,676,453	38,480,642,165

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

18. Taxes and other amounts receivable from/payable to the State

	Beginning balance		Occurrence in the year		Ending balance	
	Receivable	Payable	Amount to be paid	Amount paid	Receivable	Payable
VAT	-	12,201,299,574	349,609,174,785	349,787,113,213	-	12,023,361,146
Import VAT	-	-	19,349,491,677	19,349,491,677	-	-
Special consumption tax	-	17,074,839,842	233,598,032,338	233,046,711,399	-	17,626,160,781
Import-export duty	-	-	535,923,205	535,923,205	-	-
CIT	-	95,883,615,721	185,105,855,326	250,281,179,789	-	30,708,291,258
PIT	-	68,916,592	35,882,086,371	36,107,671,473	221,427,988	64,759,478
Natural resources tax	-	150,850,698	2,092,774,274	2,094,959,914	-	148,665,058
Land and house tax, land rent	-	-	2,401,361,238	2,519,424,170	118,062,932	-
Other taxes	25,785,512	64,420,127	996,400,011	1,060,820,138	25,785,512	-
Fees and charges	-	9,998,500	168,975,000	169,030,500	-	9,943,000
Total	25,785,512	125,453,941,054	829,740,074,225	894,952,325,478	365,276,432	60,581,180,721

The Company's tax returns are subject to examination by the tax authorities. The amounts reported in the financial statements could be changed at later date upon final determination by the tax authorities.

19. Short-term accrued expenses

	31/12/2021	01/01/2021
Accrued selling expenses	644,492,412	-
Accrued loan interest	1,641,619,016	1,437,413,678
Other accruals	1,467,910,529	1,607,736,050
Total	3,754,021,957	3,045,149,728

20. Other payables

a. Short term

	31/12/2021	01/01/2021
Trade union fees	311,421,115	400,835,177
Social insurance, health insurance, unemployment insurance	696,699,697	65,602,279
Short-term deposits, collaterals received	2,751,587,437	2,737,026,476
Dividend, profit payable	153,465,375	799,463,475
Thanh Phat Trade Limited Company	122,105,954,732	168,401,740,951
Others	23,094,937,067	16,739,014,068
Total	149,114,065,423	189,143,682,426

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

b. Long term

	31/12/2021	01/01/2021
Long-term deposits, collaterals received	10,795,747,715	11,085,657,724
Total	10,795,747,715	11,085,657,724

21. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Short-term loans	1,723,009,678,809	5,454,981,707,993	5,145,703,266,116	2,032,288,120,686
- BIDV - Quang Ngai Branch	699,860,025,426	2,031,487,565,565	1,860,855,301,553	870,492,289,438
- VietinBank - Quang Ngai Branch	529,918,105,420	2,409,755,740,168	2,073,757,462,970	865,916,382,618
- Vietcombank - Quang Ngai Branch	380,713,785,467	979,025,894,218	1,063,860,231,055	295,879,448,630
- Military Bank - Quang Ngai Branch	112,517,762,496	34,712,508,042	147,230,270,538	-
Total	1,723,009,678,809	5,454,981,707,993	5,145,703,266,116	2,032,288,120,686

22. Science and technology development fund

	Year 2021	Year 2020
Beginning balance	7,239,662,831	5,280,448,290
Increase in the year (appropriation for fund)	50,000,000,000	10,000,000,000
Decrease in the year	6,504,929,572	8,040,785,459
Ending balance	50,734,733,259	7,239,662,831

The Company appropriated and used the science and technology development fund to serve its science and technology activities in accordance with the guidance of Joint Circular No. 12/2016/TTLT-BKHHCN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance (applicable from 01/09/2016 onwards) on guiding the establishment, organization, operation, management and use of science and technology development fund of enterprises.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

23. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Share premium	Development investment fund	Undistributed profit	Total
As at 01/01/2020	3,569,399,550,000	353,499,663,780	567,823,798,211	2,760,924,911,669	7,251,647,923,660
Increase in the year	-	-	38,753,298,032	1,104,350,506,325	1,143,103,804,357
Decrease in the year	-	-	-	1,122,490,929,043	1,122,490,929,043
As at 31/12/2020	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>606,577,096,243</u>	<u>2,742,784,488,951</u>	<u>7,272,260,798,974</u>
As at 01/01/2021	3,569,399,550,000	353,499,663,780	606,577,096,243	2,742,784,488,951	7,272,260,798,974
Increase in the year	-	-	31,589,338,685	1,420,246,964,446	1,451,836,303,131
Decrease in the year	-	-	-	934,469,005,747	934,469,005,747
As at 31/12/2021	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>638,166,434,928</u>	<u>3,228,562,447,650</u>	<u>7,789,628,096,358</u>

b. Capital transactions with owners

	Year 2021	Year 2020
Share capital		
- Beginning balance	3,569,399,550,000	3,569,399,550,000
- Increase in the year	-	-
- Decrease in the year	-	-
- Ending balance	3,569,399,550,000	3,569,399,550,000

Changes in share capital in the year are as follows:

	Year 2021		Year 2020	
	Number of shares	Share capital	Number of shares	Share capital
Beginning balance	356,939,955	3,569,399,550,000	356,939,955	3,569,399,550,000
Increase in the year	-	-	-	-
Decrease in the year	-	-	-	-
Ending balance	<u>356,939,955</u>	<u>3,569,399,550,000</u>	<u>356,939,955</u>	<u>3,569,399,550,000</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

c. Shares

	31/12/2021 Shares	01/01/2021 Shares
Number of shares registered to be issued	356,939,955	356,939,955
Number of shares issued publicly	356,939,955	356,939,955
- Common shares	356,939,955	356,939,955
- Preferred shares	-	-
Number of shares bought back (treasury shares)	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	356,939,955	356,939,955
- Common shares	356,939,955	356,939,955
- Preferred shares	-	-
Par value of outstanding shares: VND10,000 each		

d. Undistributed profit

	Year 2021	Năm 2020
Profit brought forward	2,742,784,488,951	2,760,924,911,669
Profit after corporate income tax this year	1,420,246,964,446	1,104,350,506,325
Distribution of profit	934,469,005,747	1,122,490,929,043
- Distribution of prior-year profit	755,999,028,247	944,020,951,543
+ Appropriated to development investment fund	31,589,338,685	38,753,298,032
+ Appropriated to reward and welfare fund	10,529,779,562	12,917,766,011
+ Paying cash dividend	713,879,910,000	892,349,887,500
- Temporary distribution of current-year profit	178,469,977,500	178,469,977,500
+ Paying cash dividend	178,469,977,500	178,469,977,500
Undistributed profit at the end of the year	3,228,562,447,650	2,742,784,488,951

e. Dividend

Payment of 2020 dividends:

Resolution No. 30/NQ/QNS-DHDCD2021 dated 03/04/2021 of the 2021 Annual General Shareholders' Meeting approved to pay dividends from the profit of the year 2020 (in cash) at the rate of 25% of the charter capital.

The Company paid dividends as follows:

- ✓ 1st payment: Paying in advance at the rate of 5% of the charter capital, equivalent to VND178,469,977,500 (Date of finalizing the list of shareholders: 07/09/2020; payment date: 18/09/2020);
- ✓ 2nd payment: Paying in advance at the rate of 5% of the charter capital, equivalent to VND178,469,977,500 (Date of finalizing the list of shareholders: 01/03/2021; Payment date: 11/03/2021);
- ✓ 3rd payment: Paying the remaining dividends at the rate of 15% of the charter capital, equivalent to VND535,409,932,500 (Date of finalizing the list of shareholders: 16/04/2021; Payment date: 29/04/2021).

Advance payment of 2021 dividends:

The Board of Directors decided to make the first advance payment of 2021 dividends in cash at the rate of 5% of the charter capital, equivalent to VND178,469,977,500 (Date of finalizing the list of shareholders: 19/08/2021, payment date: 01/09/2021).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

24. Off-balance sheet items

a. Leased assets

The amounts of minimum lease payments payable under operating leases are as follows:

	31/12/2021	01/01/2021
Not later than 1 year	4,419,342,364	4,439,275,564
Later than 1 year and not later than 5 years	17,757,102,255	17,824,055,378
Later than 5 years	127,443,875,727	136,948,176,081
Total	149,620,320,346	159,211,507,023

b. Foreign currencies

	31/12/2021	01/01/2021
Cash in bank		
+USD	445,777.23	47,901.40
+EUR	0.67	11.86

c. Monetary gold

	31/12/2021	01/01/2021
+ SJC gold bars on hand	4 bars	4 bars

25. Revenue from sales and service provision

	Year 2021	Year 2020
Revenue from sales of finished products	6,930,497,141,364	6,120,580,342,161
Revenue from sales of merchandise goods	132,598,500,000	73,733,283,477
Revenue from services rendered	46,406,525,847	46,974,033,880
Total	7,109,502,167,211	6,241,287,659,518

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

26. Revenue deductions

	Year 2021	Year 2020
Trade discounts	27,731,436,524	21,820,449,733
Sales returns	7,075,856,613	5,977,746,213
Total	34,807,293,137	27,798,195,946

27. Cost of goods sold

	Year 2021	Year 2020
Cost of finished products sold	4,648,809,386,793	4,078,880,668,555
Cost of merchandise goods sold	132,598,500,000	74,620,108,571
Cost of services rendered	53,619,231,093	40,161,727,933
Provision for decline in value of inventories	1,588,729,756	-
Total	4,836,615,847,642	4,193,662,505,059

28. Financial income

	Year 2021	Year 2020
Deposit interest, loan interest	114,597,757,807	114,026,859,453
Profits, dividends received	168,364,868,458	52,419,990,495
Realized foreign exchange gains	2,950,688,061	2,502,420,832
Unrealized foreign exchange gains	120,747,728	-
Payment discounts	25,230,359,526	25,495,446,085
Total	311,264,421,580	194,444,716,865

29. Financial expenses

	Year 2021	Year 2020
Loan interest	65,880,925,449	71,041,570,755
Realized foreign exchange losses	400,231,037	805,915,138
Total	66,281,156,486	71,847,485,893

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

30. Selling expenses and administrative expenses

a. Selling expenses incurred in the year

	Year 2021	Year 2020
Staff costs	250,644,210,304	219,596,922,017
Transportation, loading and unloading expenses	170,749,138,269	139,880,270,452
Advertising expenses	107,873,815,627	81,193,542,653
Promotion expenses	6,005,406,296	30,444,310,405
Showroom, sampling expenses	22,780,564,319	23,981,017,376
Agent commission, sales support	10,074,450,688	8,633,945,112
Other outside service expenses	75,224,298,283	62,611,221,870
Others	31,397,791,812	60,833,050,666
Total	674,749,675,598	627,174,280,551

b. Administrative expenses incurred in the year

	Year 2021	Year 2020
Staff costs	104,757,815,264	111,718,189,941
Outside service expenses	16,744,205,628	30,979,039,025
Guest entertainment expenses	2,061,514,759	2,205,579,993
Office supplies expenses	6,257,017,019	5,932,097,610
Appropriation to science and technology development fund	50,000,000,000	10,000,000,000
Appropriation to/(reversal of) provision for doubtful debts	1,848,029,376	1,922,099,561
Others	68,200,377,835	68,061,740,679
Total	249,868,959,881	230,818,746,809

31. Other income

	Year 2021	Year 2020
Marketing support received	33,069,006,976	31,330,000,000
Proceeds from disposals of materials, fixed assets	18,665,851,843	5,528,723,956
Others	1,993,736,750	1,282,263,088
Total	53,728,595,569	38,140,987,044

32. Other expenses

	Year 2021	Year 2020
Penalties, late payment fines	383,137,323	582,579,287
Others	6,436,294,521	4,461,775,851
Total	6,819,431,844	5,044,355,138

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

33. Current corporate income tax expense

	Year 2021	Year 2020
Accounting profit before tax	1,605,352,819,772	1,317,527,794,031
Adjustments to taxable income	(158,799,358,991)	(46,536,799,649)
- Increase	9,567,669,467	5,886,779,174
+ <i>Foreign exchange loss from revaluation of balance of cash, receivables</i>	170,177,932	131,468,766
+ <i>Non-deductible expenses</i>	9,397,491,535	5,755,310,408
- Decrease	168,367,028,458	52,423,578,823
+ <i>Profits, dividends received</i>	168,364,868,458	52,419,990,495
+ <i>Foreign exchange gains from revaluation of balance of cash, receivables</i>	2,160,000	3,588,328
+ <i>Others</i>	-	-
Total taxable income	1,446,553,460,781	1,270,990,994,382
Tax-exempted income	320,052,453,548	9,929,995,977
Assessable income	1,126,501,007,233	1,261,060,998,405
Of which:		
- Income from main operating activities	1,073,310,185,266	1,252,329,146,238
- Other income	52,891,109,770	8,732,852,167
Corporate income tax	186,273,291,257	211,464,869,467
- Income from main operating activities	181,760,591,113	209,718,299,033
- Other income	4,512,700,144	1,746,570,434
Current corporate income tax expense	185,105,855,326	213,177,287,706
<i>In which:</i>		
- <i>Current-year income tax expenses</i>	186,273,291,257	211,464,869,467
- <i>Adjusting prior-year income tax expenses to current-year income tax expenses</i>	(1,167,435,931)	1,712,418,239

34. Operating expenses by elements

	Year 2021	Year 2020
Materials expenses	3,484,773,935,604	3,082,303,953,988
Labor costs	518,657,188,136	542,866,761,977
Depreciation expenses	469,003,421,563	465,687,336,598
Outside service expenses	484,038,858,869	485,539,040,155
Other cash expenses	549,075,238,274	523,585,070,711
Total	5,505,548,642,447	5,099,982,163,429

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

35. Segment reporting

Segment reporting of the Company was prepared in accordance with business activities as follows:

Segment report by operating activities	Sugar		Soy milk		Others		Total	
	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020	Year 2021	Year 2020
Segment revenue	1,583,711,923,218	994,063,195,612	4,090,749,390,592	3,875,088,825,443	1,400,233,560,264	1,344,337,442,517	7,074,694,874,074	6,213,489,463,572
Cost of segment	1,212,061,556,948	962,413,550,817	2,444,966,193,800	2,165,651,739,568	1,179,588,096,894	1,065,597,214,674	4,836,615,847,642	4,193,662,505,059
Gross profit	371,650,366,270	31,649,644,795	1,645,783,196,792	1,709,437,085,875	220,645,463,370	278,740,227,843	2,238,079,026,432	2,019,826,958,513
Financial income							311,264,421,580	194,444,716,865
Financial expenses							66,281,156,486	71,847,485,893
Selling expenses							674,749,675,598	627,174,280,551
Administrative expenses							249,868,959,881	230,818,746,809
Operating profit							1,558,443,656,047	1,284,431,162,125
Other income							53,728,595,569	38,140,987,044
Other expenses							6,819,431,844	5,044,355,138
Other profit							46,909,163,725	33,096,631,906
Profit before tax							1,605,352,819,772	1,317,527,794,031
Corporate income tax							185,105,855,326	213,177,287,706
Profit after tax							1,420,246,964,446	1,104,350,506,325

NOTES TO THE FINANCIAL STATEMENTS (cont'd)*(These notes form an integral part of and should be read in conjunction with the financial statements)*

31/12/2021	Segment assets					Depreciation of fixed assets in 2021
	Cost of tangible fixed assets	Accumulated depreciation	Receivables	Total assets	Payables	
Manufacturing and trading Sugar	3,639,223,609,182	(1,458,809,725,352)	234,634,968,416	2,802,246,134,914	36,160,186,565	188,948,384,371
Manufacturing and trading Soya milk	2,032,985,805,328	(1,663,447,075,803)	59,863,679,084	872,686,010,090	185,249,785,286	128,348,325,379
Other operating activities	3,267,202,038,480	(1,543,678,266,712)	92,069,951,776	6,999,771,771,889	2,663,665,848,684	151,706,711,813
Total	8,939,411,452,990	(4,665,935,067,867)	386,568,599,276	10,674,703,916,893	2,885,075,820,535	469,003,421,563

01/01/2021	Segment assets					Depreciation of fixed assets in 2020
	Cost of tangible fixed assets	Accumulated depreciation	Receivables	Total assets	Payables	
Manufacturing and trading Sugar	3,184,842,111,835	(1,673,482,459,564)	133,617,330,854	2,025,590,143,028	62,230,411,821	161,604,778,211
Manufacturing and trading Soya milk	2,004,795,576,153	(1,542,142,419,349)	52,226,412,899	1,005,033,987,347	178,535,932,835	153,630,734,541
Other operating activities	3,039,555,814,306	(1,223,055,908,168)	78,316,087,342	6,915,332,333,094	2,432,929,319,839	150,451,823,846
Total	8,229,193,502,294	(4,438,680,787,081)	264,159,831,095	9,945,956,463,469	2,673,695,664,495	465,687,336,598

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

36. Risk management

a. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

b. Financial risk management

Financial risks include market risk (including interest rate risk, exchange rate risk, commodity price risk), credit risk and liquidity risk.

Market risk management: The Company's activities expose it primarily to the financial risks of changes in interest rates, exchange rates and prices.

Interest rate risk management

The Company's interest rate risks mainly derive from interest bearing loans which are arranged. To minimize these risks, the Company has estimated the impact of borrowing costs to its periodic business results as well as making analysis and projection to select appropriate time to repay the loans. The Management assesses that uncontrollable risks arising from fluctuations of interest rates are insignificant.

Exchange rate risk management

Since the Company undertakes transactions in foreign currencies, consequently it is exposed to risk of exchange rate fluctuations. The Company has hedged risks related to exchange rate fluctuations by maintaining an appropriate structure of loans in foreign currency and VND, optimizing the time for settlement of debts, selecting the appropriate time to purchase and make payment in foreign currencies, projecting future exchange rates and optimizing the utilization of existing funds to balance the exchange rate risk and liquidity risk.

Book value of financial instruments in foreign currencies at the end of the year is as follows::

	31/12/2021	01/01/2021
Financial assets		
Cash		
- USD	445,777.23	47,901.40
- EUR	0.67	11.86
Trade receivables (USD)	8,862.00	24,405.22
Financial liabilities		
Trade payables (USD)	148,940.00	324,150.06
Trade payables (EUR)	184,600.00	188,650.00
Trade payables (JPY)	-	42,000.00
Other payables (USD)	50,907.25	40,867.25

Price risk management

The Company purchases goods, materials from domestic and overseas suppliers for its business production activities; it is therefore exposed to risks of changes in prices of input goods, materials. Since materials account for a high proportion of the total cost of products, the Company pays special attention to the risks of changes in price of materials used in its business production activities. To minimize this risk, the Company selects reputable suppliers, long-term cooperation suppliers and always requires updates of the most timely price fluctuations. Besides, cross-checks of prices are often

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

done in order to ensure sufficient material sources at the most reasonable prices. With such price management policies, the Management assesses that the Company's exposure to uncontrollable risks of changes in commodity prices is controllable.

Credit risk management

Trade receivables

The Company sells goods by the following methods: wholesale through the main distributors and agents and retail sale through its subsidiary, Thanh Phat Trade Limited Company.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's financial risks arise from some amounts receivable. The Company minimizes credit risk by various measures depending on the sale method:

- Selling goods through main distributors: Making payment before receiving goods or late payment.
- Selling goods through agents: The Company has a system of agents who have good financial status. Agents will be entitled to preferential sales policies on price, volume, and payment discount. Depending on each item and each time, the agents shall be entitled to appropriate payment terms such as payment before receiving goods (Sugar, Milk, Beer ...) or late payment.
- Retail sale: through retail outlets of Thanh Phat Trade Limited Company with the form of cash collection or bank transfer.

Therefore, the Management assesses that the Company's exposure to significant credit risk arising from trade receivables is controllable.

Financial investments

Bank deposits of the Company are transacted at large banks. The Management of the Company assesses that the Company has no significant credit risk with respect to bank deposits.

Liquidity risk management

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds that can be generated within that period,...

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

The Company's aggregate financial liabilities are categorized in accordance with their maturity as follows:

31/12/2021	Within 1 year	Over 1 year	Total
Trade payables	363,762,300,188	-	363,762,300,188
Accrued expenses	3,754,021,957	-	3,754,021,957
Loans and finance lease liabilities	2,032,288,120,686	-	2,032,288,120,686
Other payables	148,105,944,611	10,795,747,715	158,901,692,326
Total	2,547,910,387,442	10,795,747,715	2,558,706,135,157

01/01/2021	Within 1 year	Over 1 year	Total
Trade payables	382,521,322,173	-	382,521,322,173
Accrued expenses	3,045,149,728	-	3,045,149,728
Loans and finance lease liabilities	1,723,009,678,809	-	1,723,009,678,809
Other payables	188,677,244,970	11,085,657,724	199,762,902,694
Total	2,297,253,395,680	11,085,657,724	2,308,339,053,404

The Company is not exposed to liquidity risk. Thus the Management believes that the Company can generate sufficient resources to meet its financial obligations as they fall due.

The Company's available financial assets are drawn up on a net asset basis as follows:

31/12/2021	Within 1 year	Over 1 year	Total
Cash and cash equivalents	178,527,322,546	-	178,527,322,546
Held-to-maturity investments	3,923,000,000,000	-	3,923,000,000,000
Trade receivables	96,134,878,870	-	96,134,878,870
Other receivables	39,799,539,482	786,569,947	40,586,109,429
Total	4,237,461,740,898	786,569,947	4,238,248,310,845

01/01/2021	Within 1 year	Over 1 year	Total
Cash and cash equivalents	419,589,966,019	-	419,589,966,019
Held-to-maturity investments	2,639,000,000,000	-	2,639,000,000,000
Trade receivables	76,570,571,484	-	76,570,571,484
Other receivables	30,615,362,511	412,183,710	31,027,546,221
Total	3,165,775,900,014	412,183,710	3,166,188,083,724

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

37. Related party information

a. Related party

	Relationship
Thanh Phat Trade Limited Company	Subsidiary

b. Significant transactions with related party arising in the year

	Year 2021	Year 2020
Thanh Phat Trade Limited Company		
Receiving profit, dividends	168,364,868,458	52,419,990,495
Paying dividends	138,836,512,500	166,603,815,000
Purchasing goods, services	17,382,491,988	15,311,672,022
Selling goods, services	1,144,377,971,613	1,014,482,860,144

c. Year-end balance with related party:

	31/12/2021	01/01/2021
Thanh Phat Trade Limited Company		
Other payables	122,105,954,732	168,401,740,951

d. Remuneration of the Board of Directors and Management

Name	Position	Year 2021	Year 2020
Vo Thanh Dang	Vice Chairman General Director	1,699,830,769	1,706,098,594
Tran Ngoc Phuong	Chairman Vice General Director	1,106,522,769	1,107,605,979
Nguyen Huu Tien	Member Vice General Director	1,106,522,769	1,186,098,594
Ngo Van Tu	Member Director of Vinasoy milk factory	2,213,351,413	2,280,767,426
Dang Phu Quy	Member Director of Thanh Phat Co., Ltd	1,066,379,250	911,281,672
Nguyen The Binh	Chief Accountant	844,715,077	822,244,684

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the financial statements)

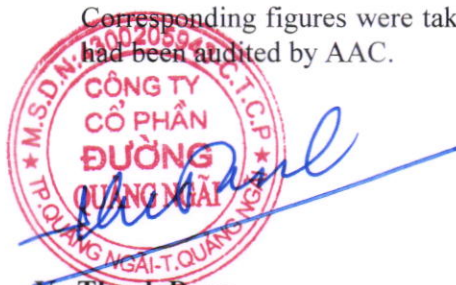
38. Events after the balance sheet date

On 06/01/2022, the Board of Directors of the Company issued Resolution No. 004/NQ-QNS-HDQT on the 2nd advance payment of 2021 dividends in cash at the rate of 5% of the charter capital, equivalent to VND178,469,977,500 (The date for finalizing the list of shareholders receiving dividends: 20/01/2022, the date of dividend payment: 28/01/2022).

In addition, there have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

39. Corresponding figures

Corresponding figures were taken from the financial statements for the year ended 31/12/2020 which had been audited by AAC.



Vo Thanh Dang
General Director

Quang Ngai Province, 25 February 2022



Nguyen The Binh
Chief Accountant



Tran Thi Xuan Hien
Preparer

