



**QUANG NGAI SUGAR
JOINT STOCK COMPANY**

Financial statements

For the year ended 31 December 2022

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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 31/12/2022.

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 24 times and the most recent amendment was made on 05/10/2022.

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 31/12/2022: VND3,569,399,550,000.

As at 31/12/2022, 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; Manufacturing and trading yeast products; Manufacturing and trading plant-based food products;
- 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;
- Manufacture of prepared meals and dishes;
- Manufacture of vegetable and animal oils and fats.

Employees

As at 31/12/2022, the Company had 3,280 employees, including 152 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 | Member | Reappointed on 03/04/2021 |

REPORT OF THE MANAGEMENT (CONT'D)

- | | | |
|-----------------------|--------|---------------------------|
| • Mr. Ngo Van Tu | Member | Reappointed on 03/04/2021 |
| • 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. Tran Ngoc Phuong | Vice General Director | Reappointed on 08/04/2021 |
| • Mr. Dang Phu Quy | Vice General Director | Appointed on 12/08/2022 |
| • Mr. Nguyen Huu Tien | Vice General Director | Reappointed on 08/04/2021
Resigned on 05/08/2022 |
| • 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).

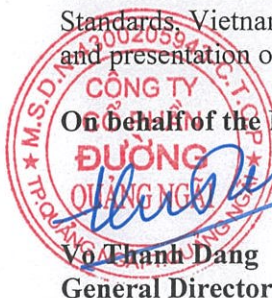
Statement of the Management's responsibility in respect of the financial statements

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 the notes thereto give a true and fair view of the financial position of the Company as at 31/12/2022 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, 27 February 2023



No.: 141/2023/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 27 February 2023 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 2022, the income statement, statement of cash flows for the year then ended, and the notes thereto.

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

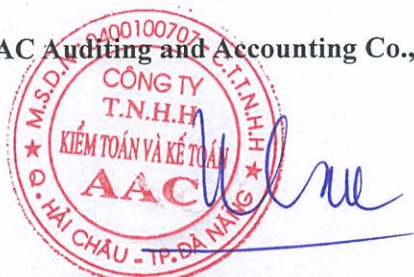
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting 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 2022 separate financial statements of the Company. These financial statements should be read in conjunction with the 2022 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 Phuong Lan - Deputy General Director
Audit Practicing Registration Certificate
No. 0396-2023-010-1
Da Nang City, 27 February 2023

A blue ink signature of Dinh Ngoc Hong Hanh.

Dinh Ngoc Hong Hanh - Auditor
Audit Practicing Registration Certificate
No. 4452-2023-010-1

BALANCE SHEET
As at 31 December 2022

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

ASSETS	Code	Note	31/12/2022 VND	01/01/2022 VND
A. CURRENT ASSETS	100		6,087,257,921,774	5,322,709,632,245
I. Cash and cash equivalents	110		201,953,492,369	178,527,322,546
1. Cash	111	5	201,953,492,369	178,527,322,546
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		4,296,000,000,000	3,923,000,000,000
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6.a	4,296,000,000,000	3,923,000,000,000
III. Short-term receivables	130		586,778,251,472	385,782,029,329
1. Short-term trade receivables	131	7	146,051,447,210	99,559,792,957
2. Short-term prepayments to suppliers	132	8	410,943,227,278	260,821,323,529
3. Other short-term receivables	136	9.a	47,192,150,629	41,360,203,109
4. Provision for doubtful debts	137	10	(17,408,573,645)	(15,959,290,266)
IV. Inventories	140	11	945,588,775,727	816,108,143,792
1. Inventories	141		946,659,821,282	817,696,873,548
2. Provision for obsolete inventories	149		(1,071,045,555)	(1,588,729,756)
V. Other current assets	150		56,937,402,206	19,292,136,578
1. Short-term prepaid expenses	151	12.a	54,909,834,199	17,403,657,957
2. Deductible VAT	152		-	1,523,202,189
3. Taxes and amounts receivable from the State	153	18	2,027,568,007	365,276,432
B. LONG-TERM ASSETS	200		4,975,684,446,379	5,351,994,284,648
I. Long-term receivables	210		456,640,965	786,569,947
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9.b	456,640,965	786,569,947
II. Fixed assets	220		3,913,337,322,796	4,285,197,336,022
1. Tangible fixed assets	221	13	3,905,463,978,341	4,273,476,385,123
- Cost	222		9,051,489,881,726	8,939,411,452,990
- Accumulated depreciation	223		(5,146,025,903,385)	(4,665,935,067,867)
2. Intangible fixed assets	227	14	7,873,344,455	11,720,950,899
- Cost	228		62,861,937,395	62,343,137,395
- Accumulated amortization	229		(54,988,592,940)	(50,622,186,496)
III. Investment property	230		-	-
IV. Non-current assets in progress	240		33,080,880,259	46,712,984,551
1. Long-term work in process	241		-	-
2. Construction in progress	242	15	33,080,880,259	46,712,984,551
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		228,809,602,359	219,297,394,128
1. Long-term prepaid expenses	261	12.b	228,809,602,359	219,297,394,128
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		11,062,942,368,153	10,674,703,916,893

BALANCE SHEET (cont'd)

As at 31 December 2022

RESOURCES	Code	Note	31/12/2022 VND	01/01/2022 VND
C. LIABILITIES	300		2,930,301,011,501	2,885,075,820,535
I. Current liabilities	310		2,889,128,074,855	2,823,545,339,561
1. Short-term trade payables	311	16	478,824,902,394	363,762,300,188
2. Short-term advances from customers	312	17	31,861,069,330	41,088,676,453
3. Taxes and amounts payable to the State budget	313	18	120,405,840,829	60,581,180,721
4. Payables to employees	314		97,218,358,279	102,109,034,770
5. Short-term accrued expenses	315	19	3,649,251,624	3,754,021,957
6. Short-term unearned revenue	318		620,308	18,181,818
7. Other short-term payables	319	20.a	188,518,941,960	149,114,065,423
8. Short-term loans and finance lease liabilities	320	21	1,895,895,232,086	2,032,288,120,686
9. Reward and welfare fund	322		72,753,858,045	70,829,757,545
II. Long-term liabilities	330		41,172,936,646	61,530,480,974
1. Other long-term payables	337	20.b	142,500,000	10,795,747,715
2. Science and technology development fund	343	22	41,030,436,646	50,734,733,259
D. EQUITY	400		8,132,641,356,652	7,789,628,096,358
I. Owners' equity	410	23	8,132,641,356,652	7,789,628,096,358
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	675,773,360,282	638,166,434,928
4. Undistributed profit	421	23	3,533,968,782,590	3,228,562,447,650
- Undistributed profit up to prior year-end	421a		2,286,069,993,011	1,986,785,460,704
- Undistributed profit this year	421b		1,247,898,789,579	1,241,776,986,946
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		11,062,942,368,153	10,674,703,916,893



Vo Thanh Dang
General Director

Quang Ngai Province, 27 February 2023

Nguyen The Binh
Chief Accountant

Tran Duc Trieu
Preparer

INCOME STATEMENT
For the year ended 31 December 2022

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 2022 VND	Year 2021 VND
1. Revenue from sales and service provision	01	25	8,042,189,188,194	7,109,502,167,211
2. Revenue deductions	02	26	60,698,507,108	34,807,293,137
3. Net revenue from sales and service provision	10		7,981,490,681,086	7,074,694,874,074
4. Cost of goods sold	11	27	5,548,484,642,199	4,836,615,847,642
5. Gross profit from sales and service provision	20		<u>2,433,006,038,887</u>	<u>2,238,079,026,432</u>
6. Financial income	21	28	330,772,924,133	311,264,421,580
7. Financial expenses	22	29	83,722,680,028	66,281,156,486
Including: Interest expense	23		83,170,019,490	65,880,925,449
8. Selling expenses	25	30.a	844,974,401,832	674,749,675,598
9. Administrative expenses	26	30.b	229,538,554,955	249,868,959,881
10. Operating profit	30		<u>1,605,543,326,205</u>	<u>1,558,443,656,047</u>
11. Other income	31	31	43,968,955,633	53,728,595,569
12. Other expenses	32	32	4,593,899,324	6,819,431,844
13. Other profit	40		<u>39,375,056,309</u>	<u>46,909,163,725</u>
14. Accounting profit before tax	50		<u>1,644,918,382,514</u>	<u>1,605,352,819,772</u>
15. Current corporate income tax expense	51	33	218,549,615,435	185,105,855,326
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		<u>1,426,368,767,079</u>	<u>1,420,246,964,446</u>



Vo Thanh Dang
General Director

Quang Ngai Province, 27 February 2023

Nguyen The Binh
Chief Accountant

Tran Duc Trieu
Preparer

STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

Form B 03 - DN

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

ITEMS	Code	Year 2022 VND	Year 2021 VND
I. Cash flows from operating activities			
1. Net profit before tax	01	1,644,918,382,514	1,605,352,819,772
2. Adjustments for			
- Depreciation and amortization	02	489,471,207,119	473,763,564,458
- Provisions	03	931,599,178	3,436,759,132
- Foreign exchange gain/loss from revaluation of foreign currency balances	04	(1,760,938,648)	(120,747,728)
- (Profits)/losses from investing activities	05	(298,926,954,328)	(301,628,478,108)
- Interest expense	06	83,170,019,490	65,880,925,449
- Other adjustments	07	-	50,000,000,000
3. Operating profit before changes in working capital	08	1,917,803,315,325	1,896,684,842,975
- Decrease/increase in receivables	09	(194,447,753,828)	(122,760,214,882)
- Decrease/increase in inventories	10	(128,962,947,734)	25,006,942,052
- Decrease/increase in payables	11	125,911,568,929	(21,279,545,476)
- Decrease/increase in prepaid expenses	12	(52,453,337,555)	2,101,725,494
- Interest paid	14	(82,326,985,855)	(65,676,720,111)
- Corporate income tax paid	15	(153,769,341,477)	(250,281,179,789)
- Other payments for operating activities	17	(19,894,849,973)	(15,184,289,853)
Net cash provided by operating activities	20	1,411,859,667,832	1,448,611,560,410
II. Cash flows from investing activities			
1. Purchases of fixed assets and other long-term assets	21	(101,793,212,971)	(113,608,422,334)
2. Proceeds from disposals of fixed assets and other long-term assets	22	-	18,675,265,828
3. Cash paid for loans, acquisition of debt instruments	23	(5,165,000,000,000)	(2,389,049,408,219)
4. Recovery of loans, sales of debt instruments	24	4,792,000,000,000	1,105,049,408,219
5. Received loan interest, dividends, profits	27	292,773,342,003	273,143,183,798
Net cash used in investing activities	30	(182,019,870,968)	(1,105,789,972,708)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	5,569,341,998,122	5,454,981,707,993
2. Repayment of loan principals	34	(5,705,734,886,722)	(5,145,703,266,116)
3. Dividends, profit paid to owners	36	(1,070,852,362,600)	(892,995,885,600)
Net cash used in financing activities	40	(1,207,245,251,200)	(583,717,443,723)
Net cash flows for the year	50	22,594,545,664	(240,895,856,021)
Cash and cash equivalents at the beginning of the year	60	178,527,322,546	419,589,966,019
Impacts of exchange rate fluctuations	61	831,624,159	(166,787,452)
Cash and cash equivalents at the end of the year	70	201,953,492,369	178,527,322,546



Vo Thanh Dang
General Director

Nguyen The Binh
Chief Accountant

Tran Duc Trieu
Preparer

Quang Ngai Province, 27 February 2023

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/QĐ/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 24 times and the most recent amendment was made on 05/10/2022.

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; Manufacturing and trading yeast products; Manufacturing and trading plant-based food products;
- 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;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- Construction of other civil engineering projects;
- Research and experimental development on natural sciences;
- Research and experimental development on engineering and technology;
- Manufacture of prepared meals and dishes;
- Manufacture of vegetable and animal oils and fats.

1.4. Normal operating cycle

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

1.5. Company structure

As at 31/12/2022, 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.

Subsidiary

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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 Accounting Standards, Vietnamese Corporate Accounting System, which was guided under Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 amending and adding some articles of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

As at 31/12/2022, the Company has a subsidiary, thus in 2022, 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 2022 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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;
- 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.6 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. 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 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.12 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-BKHCN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance, Circular No. 05/2022/TT-BKHCN dated 31/05/2022 of the Ministry of Science and Technology and Circular No. 67/2022/TT-BTC dated 07/11/2022 of 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 to obtain economic benefits, it 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.17 Revenue deductions

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.22 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

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. From 01/02/2022 to 31/12/2022, a tax rate of 8% was applied to some goods according to the Government's Decree 15/2022/ND-CP dated 28/02/2022.
 - ✓ 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). From 2021, CIT rate of 20% is applicable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- + 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.
- ✓ 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 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 (2017 - 2018) and 50% reduction of tax amount payable in the subsequent 4 years (2019 - 2022) 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 (2017 - 2018) and 50% reduction of tax amount payable in the subsequent 4 years (2019 - 2022) 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

		31/12/2022		01/01/2022
Cash on hand		32,965,129,217		26,918,307,671
+ VND		32,938,729,217		26,893,927,671
+ Monetary gold (SJC gold bars)	4 bars	26,400,000	4 bars	24,380,000
Cash in bank		168,988,363,152		151,609,014,875
+ VND		165,838,561,130		141,539,423,301
+ USD	134,833.70 #	3,149,785,454	445,777.23 #	10,069,574,537
+ EUR	0.67 #	16,568	0.67 #	17,037
Total		201,953,492,369		178,527,322,546

6. Financial investments

a. Held-to-maturity investments

	31/12/2022	01/01/2022
Term deposits	4,296,000,000,000	3,923,000,000,000
Total	4,296,000,000,000	3,923,000,000,000

As at 31/12/2022, 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

	31/12/2022				01/01/2022	
	% holdin g	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 2022 income statement of Thanh Phat Trade Limited Company shows profit and no accumulated loss as at 31/12/2022. 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

	31/12/2022	01/01/2022
MM Mega Market (Vietnam) Company Limited	2,189,325,727	2,536,105,330
EB Service Co., Ltd	2,878,505,004	2,371,531,320
Vietnam Electricity	30,175,130,025	23,388,506,349
Tetra Pak Vietnam Joint Stock Company	41,688,000,000	36,300,000,000
Frieslandcampina Ha Nam Co., Ltd	2,924,114,970	5,633,177,970
Binh Duong Nutifood Nutrition Food Joint Stock Company	31,675,570,500	-
Other customers	34,520,800,984	29,330,471,988
Total	146,051,447,210	99,559,792,957

8. Short-term prepayments to suppliers

	31/12/2022	01/01/2022
Prepayments to farmers for buying sugarcane	363,650,697,715	240,118,490,215
Other suppliers	47,292,529,563	20,702,833,314
Total	410,943,227,278	260,821,323,529

9. Other receivables

a. Short-term

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
Bank interest receivables	39,439,180,819	-	33,285,568,494	-
Advances	2,310,336,535	-	1,542,212,577	-
Deposits, collaterals	493,682,237	-	143,753,255	-
Other receivables	4,948,951,038	18,451,050	6,388,668,783	18,451,050
Total	47,192,150,629	18,451,050	41,360,203,109	18,451,050

b. Long-term

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
Deposits, collaterals	456,640,965	-	786,569,947	-
Total	456,640,965	-	786,569,947	-

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

	31/12/2022	01/01/2022
Provision for overdue receivable debts		
- From 3 years and over	13,485,202,978	12,412,098,004
- From 2 years to under 3 years	2,739,108,285	804,215,632
- From 1 year to under 2 years	1,038,855,353	2,029,048,418
- Over 6 months to under 1 year	145,407,029	713,928,212
Total	17,408,573,645	15,959,290,266

b. Bad debts

Overdue receivable debts	31/12/2022			01/01/2022		
	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	18,266,706,299	2,793,242,107	0,5 - 22 years	17,279,489,268	3,255,308,455	0,5 - 21 years
Total	20,201,815,752	2,793,242,107		19,214,598,721	3,255,308,455	

(*) 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

	31/12/2022		01/01/2022	
	Cost	Provision	Cost	Provision
Goods in transit	56,302,790,425	-	60,020,345,714	-
Materials, raw materials	565,323,212,711	561,629,743	580,684,042,700	747,552,679
Tools, instruments	12,171,088,400	-	11,717,364,060	-
Work in process	58,618,495,027	-	28,356,905,191	-
Finished products	241,693,172,459	509,415,812	132,213,276,842	841,177,077
Merchandise goods	12,176,035,780	-	2,943,727,684	-
Goods on consignment	375,026,480	-	1,761,211,357	-
Total	946,659,821,282	1,071,045,555	817,696,873,548	1,588,729,756

- Value of inventories that were unsellable, of poor quality or slow-moving as at 31/12/2022 was VND561,629,743.
- No inventories were mortgaged and pledged as security for debts as at 31/12/2022.

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

	31/12/2022	01/01/2022
Operating lease of fixed assets	170,059,347	170,059,354
Tools and instruments put into use pending allocation	11,608,672,036	9,301,238,688
Costs of bidding for sugar import tariff quota	34,001,000,000	-
Others	9,130,102,816	7,932,359,915
Total	54,909,834,199	17,403,657,957

b. Long-term

	31/12/2022	01/01/2022
Land lease	174,743,673,319	180,178,626,401
Tools and instruments put into use pending allocation	18,689,447,773	14,495,926,575
Bottles, cases	9,707,978,221	8,492,940,503
Others	25,668,503,046	16,129,900,649
Total	228,809,602,359	219,297,394,128

13. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	1,514,205,712,075	7,029,857,673,201	286,774,752,192	108,573,315,522	8,939,411,452,990
Newly-purchased	2,034,683,033	5,467,858,123	829,300,000	1,559,549,565	9,891,390,721
Self-constructed	8,380,626,246	88,396,992,984	1,914,622,895	3,494,795,890	102,187,038,015
Sold, disposed	-	-	-	-	-
Ending balance	1,524,621,021,354	7,123,722,524,308	289,518,675,087	113,627,660,977	9,051,489,881,726
Depreciation					
Beginning balance	877,445,797,678	3,516,354,596,034	187,385,389,845	84,749,284,310	4,665,935,067,867
Increase in the year	92,032,832,948	368,285,352,742	11,851,395,689	7,921,254,139	480,090,835,518
- Depreciation	92,015,521,281	368,279,809,817	11,851,395,689	7,564,787,473	479,711,514,260
- Using STDF	17,311,667	5,542,925	-	356,466,666	379,321,258
Sold, disposed	-	-	-	-	-
Ending balance	969,478,630,626	3,884,639,948,776	199,236,785,534	92,670,538,449	5,146,025,903,385
Net book value					
Beginning balance	636,759,914,397	3,513,503,077,167	99,389,362,347	23,824,031,212	4,273,476,385,123
Ending balance	555,142,390,728	3,239,082,575,532	90,281,889,553	20,957,122,528	3,905,463,978,341

- As at 31/12/2022, tangible fixed assets with a carrying value of VND74,491,071 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 31/12/2022 was VND2,863,684,494,211.

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	59,868,458,850	62,343,137,395
Newly-purchased	-	518,800,000	518,800,000
Other decrease	-	-	-
Ending balance	2,474,678,545	60,387,258,850	62,861,937,395
Amortization			
Beginning balance	841,820,254	49,780,366,242	50,622,186,496
Charge for the year	89,982,203	4,276,424,241	4,366,406,444
- Amortization	89,982,203	4,234,757,574	4,324,739,777
- Using STDF	-	41,666,667	41,666,667
Other decrease	-	-	-
Ending balance	931,802,457	54,056,790,483	54,988,592,940
Net book value			
Beginning balance	1,632,858,291	10,088,092,608	11,720,950,899
Ending balance	1,542,876,088	6,330,468,367	7,873,344,455

- No intangible fixed assets were mortgaged as collateral for debts as at 31/12/2022.
- Cost of intangible fixed assets fully amortized but still in active use as at 31/12/2022 was VND46,200,255,175.

15. Construction in progress

	31/12/2022	01/01/2022
Purchases	12,496,895,837	12,496,895,837
- Land of households	12,496,895,837	12,496,895,837
Constructions	20,583,984,422	34,216,088,714
- Project on expanding An Khe Sugar Factory 18,000TMN	-	262,707,865
- Biomass thermal power plant project	1,217,212,585	6,445,620,492
- RE refined sugar project	-	19,891,810,478
- Others	19,366,771,837	7,615,949,879
Total	33,080,880,259	46,712,984,551

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

	31/12/2022	01/01/2022
Asia Packing Industries Vietnam Co., Ltd.	8,995,260,201	10,060,028,480
Thai Tan Trading Transport Co., Ltd	5,913,317,579	30,744,472
Brenntag Vietnam Co., Ltd	6,123,256,884	5,222,602,506
Khatoco Package Printing JSC	10,263,758,830	7,998,353,896
Tetra Pak Vietnam JSC	9,687,621,300	7,884,571,138
Vietnam Japan Fertilizer Company	23,482,859,000	14,670,000,000
Asia Chemical Corporation	7,430,371,183	7,152,838,000
Kinh Bac Packaging JSC	2,966,329,847	3,200,304,250
TKL Corporation	28,305,808,549	42,505,829,988
Minh Thong Production and Trading Co., Ltd.	1,698,460,380	1,790,102,050
Technology Development & Application Co., Ltd	113,113,552,660	113,113,552,660
Urban & Industrial Zone Construction JSC	175,093,550	394,623,800
Nguyen Lieu Technical & Trading Co., Ltd	197,635,736	1,824,734,851
Crown Beverage Cans Danang Limited	3,823,152,096	-
Others	256,648,424,599	147,914,014,097
Total	478,824,902,394	363,762,300,188

17. Short-term advances from customers

	31/12/2022	01/01/2022
KV2 - Hoang Trung Trading Co. Ltd	30,293,747	123,837,597
TH Ngoc Anh Service and Trading Co., Ltd	463,765,340	1,412,597,022
Binh Huy Hoang Co., Ltd	405,256,858	1,173,357,951
Thanh Hanh Iron Rolling Co., Ltd	1,000,000,000	-
Lan Son Trading Co., Ltd	436,020,425	1,127,282,299
Thang Thuy Trading and Service Co., Ltd	171,561,494	504,453,837
Viet Chien Transport Co., Ltd	579,822,802	962,313,398
Wala Wang investment Co., Ltd	2,423,788,989	3,819,183,216
CKL Food Industries Pte Ltd	4,249,796,824	4,110,927,188
Others	22,100,762,851	27,854,723,945
Total	31,861,069,330	41,088,676,453

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	-	12,023,361,146	316,002,001,759	320,866,034,628	-	7,159,328,277
Import VAT	-	-	10,132,088,799	10,132,088,799	-	-
Special consumption tax	-	17,626,160,781	246,072,000,169	246,202,629,179	-	17,495,531,771
Import-export duty	-	-	167,536,058	167,536,058	-	-
CIT	-	30,708,291,258	218,549,615,435	153,769,341,477	-	95,488,565,216
PIT	221,427,988	64,759,478	43,097,140,476	42,955,470,078	79,279,529	72,799,085
Natural resources tax	-	148,665,058	2,059,328,933	2,029,454,761	-	178,539,230
Land and house tax, land rent	118,062,932	-	4,424,226,923	6,225,669,486	1,919,505,495	-
Other taxes	25,785,512	-	2,040,529,052	2,043,526,523	28,782,983	-
Fees and charges	-	9,943,000	143,924,000	142,789,750	-	11,077,250
Total	365,276,432	60,581,180,721	842,688,391,604	784,534,540,739	2,027,568,007	120,405,840,829

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

	31/12/2022	01/01/2022
Accrued selling expenses	371,956,566	644,492,412
Accrued loan interest	2,484,652,651	1,641,619,016
Other accruals	792,642,407	1,467,910,529
Total	3,649,251,624	3,754,021,957

20. Other payables

a. Short term

	31/12/2022	01/01/2022
Trade union fees	400,655,177	311,421,115
Social insurance, health insurance, unemployment insurance	965,064,402	696,699,697
Short-term deposits, collaterals received	13,893,900,083	2,751,587,437
Dividend, profit payable	120,967,775	153,465,375
Thanh Phat Trade Limited Company	146,203,414,864	122,105,954,732
Others	26,934,939,659	23,094,937,067
Total	188,518,941,960	149,114,065,423

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

	31/12/2022	01/01/2022
Long-term deposits, collaterals received	142,500,000	10,795,747,715
Total	142,500,000	10,795,747,715

21. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Short-term loans	2,032,288,120,686	5,569,341,998,122	5,705,734,886,722	1,895,895,232,086
- BIDV - Quang Ngai Branch	870,492,289,438	2,332,410,233,028	2,039,791,996,597	1,163,110,525,869
- VietinBank - Quang Ngai Branch	865,916,382,618	1,943,503,483,299	2,247,662,035,275	561,757,830,642
- Vietcombank - Quang Ngai Branch	295,879,448,630	1,142,667,300,147	1,267,519,873,202	171,026,875,575
- Military Bank - Quang Ngai Branch	-	150,760,981,648	150,760,981,648	-
Total	2,032,288,120,686	5,569,341,998,122	5,705,734,886,722	1,895,895,232,086

22. Science and technology development fund

	Year 2022	Year 2021
Beginning balance	50,734,733,259	7,239,662,831
Increase in the year (appropriation for fund)	-	50,000,000,000
Decrease in the year	9,704,296,613	6,504,929,572
Ending balance	41,030,436,646	50,734,733,259

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-BKHCHN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance (applicable from 01/09/2016 onwards), Circular No. 05/2022/TT-BKHCHN dated 31/05/2022 of the Ministry of Science and Technology on guidelines for the establishment, organization, operation, management, and use of science and technology development funds of enterprises, and Circular No. 67/2022/TT-BTC dated 07/11/2022 of the Ministry of Finance on guidelines for tax obligations when enterprises establish and use science and technology development funds.

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 01/01/2021	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>
As at 01/01/2022	3,569,399,550,000	353,499,663,780	638,166,434,928	3,228,562,447,650	7,789,628,096,358
Increase in the year	-	-	37,606,925,354	1,426,368,767,079	1,463,975,692,433
Decrease in the year	-	-	-	1,120,962,432,139	1,120,962,432,139
As at 31/12/2022	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>675,773,360,282</u>	<u>3,533,968,782,590</u>	<u>8,132,641,356,652</u>

b. Capital transactions with owners

	Year 2022	Year 2021
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 2022		Year 2021	
	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

	31/12/2022 Shares	01/01/2022 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 2022	Year 2021
Profit brought forward	3,228,562,447,650	2,742,784,488,951
Profit after corporate income tax this year	1,426,368,767,079	1,420,246,964,446
Distribution of profit	1,120,962,432,139	934,469,005,747
- Distribution of prior-year profit	942,492,454,639	755,999,028,247
+ Appropriated to development investment fund	37,606,925,354	31,589,338,685
+ Appropriated to reward and welfare fund	12,535,641,785	10,529,779,562
+ Paying cash dividend	892,349,887,500	713,879,910,000
- 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	<u>3,533,968,782,590</u>	<u>3,228,562,447,650</u>

e. Dividend

Payment of 2021 dividends:

Resolution No. 14/NQ/QNS-DHDCD2022 dated 02/04/2022 of the 2022 Annual General Shareholders' Meeting approved to pay dividends from the profit of the year 2021 (in cash) at the rate of 30% 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: 19/08/2021; payment date: 01/09/2021);
- ✓ 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: 20/01/2022; Payment date: 28/01/2022);
- ✓ 3rd payment: Paying the remaining dividends at the rate of 20% of the charter capital, equivalent to VND713,879,910,000 (Date of finalizing the list of shareholders: 22/04/2022; Payment date: 06/05/2022).

Advance payment of 2022 dividends:

The Board of Directors decided to make the first advance payment of 2022 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: 26/08/2022, payment date: 09/09/2022).

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:

	31/12/2022	01/01/2022
Not later than 1 year	6,848,243,284	4,419,342,364
Later than 1 year and not later than 5 years	27,411,644,330	17,757,102,255
Later than 5 years	270,147,007,324	127,443,875,727
Total	304,406,894,938	149,620,320,346

b. Foreign currencies

	31/12/2022	01/01/2022
Cash in bank		
+USD	134,833.70	445,777.23
+EUR	0.67	0.67

c. Monetary gold

	31/12/2022	01/01/2022
+ SJC gold bars on hand	4 bars	4 bars

25. Revenue from sales and service provision

	Year 2022	Year 2021
Revenue from sales of finished products	7,747,304,874,572	6,930,497,141,364
Revenue from sales of merchandise goods	238,290,140,000	132,598,500,000
Revenue from services rendered	56,594,173,622	46,406,525,847
Total	8,042,189,188,194	7,109,502,167,211

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 2022	Year 2021
Trade discounts	52,894,728,090	27,731,436,524
Sales returns	7,803,779,018	7,075,856,613
Total	60,698,507,108	34,807,293,137

27. Cost of goods sold

	Year 2022	Year 2021
Cost of finished products sold	5,253,969,107,211	4,648,809,386,793
Cost of merchandise goods sold	238,290,140,000	132,598,500,000
Cost of services rendered	56,743,079,189	53,619,231,093
Appropriation to/(Reversal of) provision for decline in value of inventories	(517,684,201)	1,588,729,756
Total	5,548,484,642,199	4,836,615,847,642

28. Financial income

	Year 2022	Year 2021
Deposit interest, loan interest	159,192,225,371	114,597,757,807
Profits, dividends received	139,734,728,957	168,364,868,458
Foreign exchange gains	4,180,345,765	3,071,435,789
Payment discounts	27,665,624,040	25,230,359,526
Total	330,772,924,133	311,264,421,580

29. Financial expenses

	Year 2022	Year 2021
Loan interest	83,170,019,490	65,880,925,449
Payment discounts	344,879,484	-
Foreign exchange losses	207,781,054	400,231,037
Total	83,722,680,028	66,281,156,486

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 2022	Year 2021
Staff costs	284,795,591,462	250,644,210,304
Transportation, loading and unloading expenses	219,834,772,238	170,749,138,269
Advertising expenses	189,832,907,358	107,873,815,627
Expenses for promotion, free samples, giveaways	25,001,092,199	6,005,406,296
Showroom, sampling expenses	39,572,398,415	22,780,564,319
Agent commission, sales support	20,342,490,563	10,074,450,688
Other outside service expenses	48,037,777,171	75,224,298,283
Others	17,557,372,426	31,397,791,812
Total	844,974,401,832	674,749,675,598

b. Administrative expenses incurred in the year

	Year 2022	Year 2021
Staff costs	130,897,486,401	104,757,815,264
Outside service expenses	28,154,371,656	16,744,205,628
Guest entertainment expenses	4,031,858,928	2,061,514,759
Materials, office supplies expenses	6,626,425,730	6,257,017,019
Appropriation to science and technology development fund	-	50,000,000,000
Appropriation to/(reversal of) provision for doubtful debts	1,449,283,379	1,848,029,376
Others	58,379,128,861	68,200,377,835
Total	229,538,554,955	249,868,959,881

31. Other income

	Year 2022	Year 2021
Marketing support received	38,600,000,000	33,069,006,976
Proceeds from disposals of materials, fixed assets	2,966,274,078	18,665,851,843
Others	2,402,681,555	1,993,736,750
Total	43,968,955,633	53,728,595,569

32. Other expenses

	Year 2022	Year 2021
Penalties, late payment fines	810,116,005	383,137,323
Others	3,783,783,319	6,436,294,521
Total	4,593,899,324	6,819,431,844

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 2022	Year 2021
Accounting profit before tax	1,644,918,382,514	1,605,352,819,772
Adjustments to taxable income	(133,679,361,586)	(158,799,358,991)
- Increase	6,886,991,530	9,567,669,467
+ Foreign exchange loss from revaluation of balance of cash, receivables	-	170,177,932
+ Non-deductible expenses	6,886,991,530	9,397,491,535
- Decrease	140,566,353,116	168,367,028,458
+ Profits, dividends received	139,734,728,957	168,364,868,458
+ Foreign exchange gains from revaluation of balance of cash, receivables	831,624,159	2,160,000
Total taxable income	1,511,239,020,928	1,446,553,460,781
Tax-exempted income	343,604,252,724	320,052,453,548
Assessable income	1,167,634,768,204	1,126,501,007,233
Of which:		
- Income from main operating activities	1,072,460,436,416	1,073,310,185,266
- Other income	95,174,331,788	52,891,109,770
Corporate income tax	218,426,383,685	186,273,291,257
- Income from main operating activities	203,402,493,515	181,760,591,113
- Other income	15,023,890,170	4,512,700,144
Current corporate income tax expense	<u>218,549,615,435</u>	<u>185,105,855,326</u>
In which:		
- Current-year income tax expenses	218,426,383,685	186,273,291,257
- Adjusting prior-year income tax expenses to current-year income tax expenses	123,231,750	(1,167,435,931)

34. Operating expenses by element

	Year 2022	Year 2021
Materials expenses	4,110,878,457,651	3,484,773,935,604
Labor costs	571,334,537,898	518,657,188,136
Depreciation expenses	484,036,254,037	469,003,421,563
Outside service expenses	603,103,327,171	484,038,858,869
Other cash expenses	698,829,832,652	549,075,238,274
Total	<u>6,468,182,409,409</u>	<u>5,505,548,642,447</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)

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 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
Segment revenue	1,972,671,994,636	1,583,711,923,218	4,304,575,061,040	4,090,749,390,592	1,704,243,625,410	1,400,233,560,264	7,981,490,681,086	7,074,694,874,074
Cost of segment	1,597,910,424,195	1,212,061,556,948	2,552,542,240,898	2,444,966,193,800	1,398,031,977,106	1,179,588,096,894	5,548,484,642,199	4,836,615,847,642
Gross profit	374,761,570,441	371,650,366,270	1,752,032,820,142	1,645,783,196,792	306,211,648,304	220,645,463,370	2,433,006,038,887	2,238,079,026,432
Financial income							330,772,924,133	311,264,421,580
Financial expenses							83,722,680,028	66,281,156,486
Selling expenses							844,974,401,832	674,749,675,598
Administrative expenses							229,538,554,955	249,868,959,881
Operating profit							1,605,543,326,205	1,558,443,656,047
Other income							43,968,955,633	53,728,595,569
Other expenses							4,593,899,324	6,819,431,844
Other profit							39,375,056,309	46,909,163,725
Profit before tax							1,644,918,382,514	1,605,352,819,772
Corporate income tax							218,549,615,435	185,105,855,326
Profit after tax							1,426,368,767,079	1,420,246,964,446

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

31/12/2022	Segment assets					Depreciation of fixed assets in 2022
	Cost of tangible fixed assets	Accumulated depreciation	Receivables	Total assets	Payables	
Manufacturing and trading Sugar	3,682,654,401,617	(1,675,938,341,507)	391,795,284,492	2,748,032,113,881	118,271,000,914	217,128,616,155
Manufacturing and trading Soya milk	2,083,135,588,367	(1,752,374,563,181)	70,153,971,204	890,797,413,326	181,025,581,868	91,579,656,068
Other operating activities	3,285,699,891,742	(1,717,712,998,697)	125,285,636,741	7,424,112,840,946	2,631,004,428,719	175,327,981,814
Total	9,051,489,881,726	(5,146,025,903,385)	587,234,892,437	11,062,942,368,153	2,930,301,011,501	484,036,254,037

01/01/2022	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

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:

	31/12/2022	01/01/2022
Financial assets		
Cash		
- USD	134,833.70	445,777.23
- EUR	0.67	0.67
Trade receivables (USD)	-	8,862.00
Financial liabilities		
Trade payables (USD)	751,202.63	148,940.00
Trade payables (EUR)	-	184,600.00
Other payables (USD)	65,793.25	50,907.25

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

always requires updates of the most timely price fluctuations. Besides, cross-checks of prices are often 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:

31/12/2022	Within 1 year	Over 1 year	Total
Trade payables	478,824,902,394	-	478,824,902,394
Accrued expenses	3,649,251,624	-	3,649,251,624
Loans and finance lease liabilities	1,895,895,232,086	-	1,895,895,232,086
Other payables	187,153,222,381	142,500,000	187,295,722,381
Total	2,565,522,608,485	142,500,000	2,565,665,108,485
01/01/2022	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

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:

31/12/2022	Within 1 year	Over 1 year	Total
Cash and cash equivalents	201,953,492,369	-	201,953,492,369
Held-to-maturity investments	4,296,000,000,000	-	4,296,000,000,000
Trade receivables	142,639,975,623	-	142,639,975,623
Other receivables	44,863,363,044	456,640,965	45,320,004,009
Total	4,685,456,831,036	456,640,965	4,685,913,472,001
01/01/2022	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

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 parties

	Relationship
Thanh Phat Trade Limited Company	Subsidiary
Phuc Thinh One Member Co., Ltd	The enterprise is owned by Mr. Tran Tan Huyen (brother-in-law of Mr. Nguyen Thanh Huy - Member of the Board of Supervisors).
Ngo Vu Phuong Giang	Daughter of Mr. Ngo Van Tu - Member of the Board of Directors
Hong Van Service Trading One Member Co., Ltd	The enterprise is owned by Mrs. Ta Thi Hong Van (Spouse of Mr. Dang Phu Quy - Member of the Board of Directors, Vice General Director).

b. Significant transactions with related party arising in the year

Related parties	Particulars	Year 2022	Year 2021
Thanh Phat Trade Limited Company			
	Receiving profit	139,734,728,957	168,364,868,458
	Paying dividends	166,603,815,000	138,836,512,500
	Purchasing goods, services	17,558,854,839	17,382,491,988
	Selling goods, services	1,546,244,286,287	1,144,377,971,613
Phuc Thinh One Member Co., Ltd			
	Purchasing supplies; outsourcing fire protection system repair and maintenance services	125,779,363	209,654,200
Ngo Vu Phuong Giang			
	Purchasing consultancy services as a media consulting expert role for Vinasoy	266,666,664	288,888,887
Hong Van Service Trading One Member Co., Ltd			
	Renting accommodation and passenger transportation services	34,388,891	-

c. Year-end balance with related party:

	31/12/2022	01/01/2022
Thanh Phat Trade Limited Company		
Other short-term payables	146,203,414,864	122,105,954,732
Phuc Thinh One Member Co., Ltd		
Short-term trade payables	-	161,433,734
Short-term prepayments to suppliers	340,718,846	-
Ngo Vu Phuong Giang		
Short-term trade payables	-	44,444,444

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

d. Salaries, remuneration of the Board of Directors, Board of Supervisors, Management and Chief Accountant

In 2022, the Board of Directors and the Board of Supervisors did not receive any remuneration. The Management and Chief Accountant received salaries for their participation in the management of the Company. Details are as follows:

Name	Position	Year 2022	Year 2021
Vo Thanh Dang	General Director	1,663,108,000	1,699,830,769
Tran Ngoc Phuong	Vice General Director	1,069,800,000	1,106,522,769
Nguyen Huu Tien	Vice General Director	863,816,846	1,106,522,769
Ngo Van Tu	Director of Vinasoy Milk Factory	2,277,521,937	2,213,351,413
Dang Phu Quy	Vice General Director	305,270,370	-
Nguyen The Binh	Chief Accountant	809,800,000	844,715,077

38. Events after the balance sheet date

On 19/12/2022, the Board of Directors of the Company issued Resolution No. 53/NQ-QNS-HDQT on the 2nd advance payment of 2022 dividends in cash at the rate of 10% of the charter capital, equivalent to VND356,939,955,000. Accordingly, the date for finalizing the list of shareholders receiving dividends: 05/01/2023, the date of dividend payment: 16/01/2023.

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 31/12/2021 which had been audited by AAC.



Vo Thanh Dang
General Director

Quang Ngai Province, 27 February 2023

Nguyen The Binh
Chief Accountant

Tran Duc Trieu
Preparer

