

Long An Food Processing Export Joint Stock Company

Interim financial statements

For the six-month period ended 30 June 2022



Long An Food Processing Export Joint Stock Company

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Long An Food Processing Export Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Long An Food Processing Export Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business License No. 003802 GP/TLDN-03 issued by People's Committee of Long An Province on 1 July 1995; amended by Business Registration Certificate No. 1100107301 issued by the Department of Planning and Investment of Long An Province on 1 November 2000, as amended, with the latest being the 12th amended ERC on 30 July 2018.

The Company was listed on the Ho Chi Minh City Stock Exchange with code LAF in accordance with the Decision No. 06/GPPH issued by the State Securities Commission on 6 November 2000. On 9 April 2021, the Company successfully transferred shares from Ho Chi Minh City Stock Exchange to Hanoi Stock Exchange according to the instructions in Official Letter No. 713/UBCK-PTTT on 3 March 2021 of the State Securities Commission. On 6 September 2021, the Company was listed again on the Ho Chi Minh City Stock Exchange under the guidance of Official Letter No. 4236/UBCK-PTTT dated 2 August 2021 of the State Securities Commission.

The current principal activities of the Company are to process, manufacture and trade agricultural products.

The Company's head office is located at 81B Highway 62, Ward 2, Tan An City, Long An Province, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr Nguyen Van Khai	Chairman
Ms Nguyen Thai Hanh Linh	Member
Mr Phan Ngoc Son	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Mr Nguyen Kim Lan	Head	appointed on 20 April 2022
Ms Ngo Thi Kim Phung	Head	resigned on 20 April 2022
Mr Pham Minh Tu	Member	appointed on 20 April 2022
Ms Huynh Thi Tuyet Mai	Member	appointed on 20 April 2022
Ms Dinh Thi Hai Yen	Member	resigned on 20 April 2022

MANAGEMENT

Members of the Management during the period and at the date of this report are:

Mr Phan Ngoc Son	General Director
Ms Huynh Thi Ngoc My	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr Phan Ngoc Son.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Long An Food Processing Export Joint Stock Company

REPORT OF MANAGEMENT

Management of Long An Food Processing Export Joint Stock Company ("the Company") is pleased to present this report and the interim financial statements of the Company for the six-month period ended 30 June 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

Management is responsible for the interim financial statements of each period which give a true and fair view of the interim financial position of the Company and of the interim results of its operations and its interim cash flows for the period. In preparing those interim financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- ▶ prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2022 and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim financial statements.

For and on behalf of management:



Phan Ngoc Son
General Director

Long An Province, Vietnam

12 August 2022

Reference: 61207844/22986868

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The Shareholders of Long An Food Processing Export Joint Stock Company

We have reviewed the accompanying interim financial statements of Long An Food Processing Export Joint Stock Company ("the Company") as prepared on 12 August 2022 and set out on pages 5 to 37, which comprise the interim balance sheet as at 30 June 2022, the interim income statement and the interim cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of the Company as at 30 June 2022, and of the interim results of its operations and its interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim financial statements.

Ernst & Young Vietnam Limited



Nguyen Ho Khanh Tan
Deputy General Director
Audit Practicing Registration Certificate
No: 3458-2020-004-1

Ho Chi Minh City, Vietnam

12 August 2022

INTERIM BALANCE SHEET
as at 30 June 2022

VND

Code	ASSETS	Notes	30 June 2022	31 December 2021
100	A. CURRENT ASSETS		446,681,586,677	189,403,009,927
110	I. Cash and cash equivalents	4	5,042,636,120	24,505,524,366
111	1. Cash		5,042,636,120	5,005,524,366
112	2. Cash equivalents		-	19,500,000,000
120	II. Short-term investments	5	13,000,192,168	13,000,172,168
121	1. Held-for-trading securities		1,050,192,168	1,050,172,168
122	2. Provision for held-for-trading securities		(1,050,000,000)	(1,050,000,000)
123	3. Held-to-maturity investments		13,000,000,000	13,000,000,000
130	III. Current accounts receivable		41,545,197,200	28,193,170,080
131	1. Short-term trade receivables	6	34,991,260,710	25,088,300,673
132	2. Short-term advances to suppliers	7	7,421,153,915	7,381,067,905
136	3. Other short-term receivables	8	4,377,813,953	968,832,880
137	4. Provision for doubtful short-term receivables	9	(5,708,031,815)	(5,708,031,815)
139	5. Shortage of assets waiting for resolution		463,000,437	463,000,437
140	IV. Inventories	10	384,769,735,338	120,322,678,775
141	1. Inventories		384,769,735,338	120,322,678,775
150	V. Other current assets		2,323,825,851	3,381,464,538
151	1. Short-term prepaid expenses	15	1,011,711,367	282,847,419
152	2. Value-added tax deductible	18	1,312,114,484	3,098,617,119
200	B. NON-CURRENT ASSETS		96,426,011,688	90,348,874,158
220	I. Fixed assets		72,079,791,217	73,075,304,840
221	1. Tangible fixed assets	11	72,076,046,832	73,066,879,955
222	Cost		125,450,741,753	121,093,813,864
223	Accumulated depreciation		(53,374,694,921)	(48,026,933,909)
227	2. Intangible fixed assets	12	3,744,385	8,424,885
228	Cost		310,629,500	310,629,500
229	Accumulated amortisation		(306,885,115)	(302,204,615)
230	II. Investment properties	13	17,806,335	24,677,625
231	1. Cost		668,145,436	668,145,436
232	2. Accumulated depreciation		(650,339,101)	(643,467,811)
240	III. Long-term assets in progress		7,595,390,588	3,781,904,286
242	1. Construction in progress	14	7,595,390,588	3,781,904,286
250	IV. Long-term investments		60,000,000	60,000,000
253	1. Investments in other entities		60,000,000	60,000,000
260	V. Other long-term assets		16,673,023,548	13,406,987,407
261	1. Long-term prepaid expenses	15	16,116,510,281	12,835,389,404
262	2. Deferred tax assets	30.3	556,513,267	571,598,003
270	TOTAL ASSETS		543,107,598,365	279,751,884,085

INTERIM BALANCE SHEET (continued)
as at 30 June 2022

VND

Code	RESOURCES	Notes	30 June 2022	31 December 2021
300	C. LIABILITIES		373,621,047,204	83,292,387,999
310	I. Current liabilities		370,821,096,078	80,523,766,918
311	1. Short-term trade payables	16	7,574,026,125	9,039,344,817
312	2. Short-term advances from customers	17	950,100,777	427,639,324
313	3. Statutory obligations	18	1,157,699,674	1,235,839,749
314	4. Payables to employees		2,312,810,963	10,609,476,404
315	5. Short-term accrued expenses	19	1,516,734,349	587,804,353
319	6. Other short-term payables	20	30,293,846,921	1,138,517,691
320	7. Short-term loans	21	325,400,171,991	57,483,880,302
322	8. Bonus and welfare funds		1,615,705,278	1,264,278
330	II. Non-current liabilities		2,799,951,126	2,768,621,081
342	1. Long-term provisions	22	2,799,951,126	2,768,621,081
400	D. OWNERS' EQUITY		169,486,551,161	196,459,496,086
410	I. Owners' equity	23	169,486,551,161	196,459,496,086
411	1. Share capital		147,280,190,000	147,280,190,000
411a	- Shares with voting rights		147,280,190,000	147,280,190,000
421	2. Undistributed earnings		22,206,361,161	49,179,306,086
421a	- Undistributed earnings by the end of prior period		14,031,268,086	9,548,168,911
421b	- Undistributed earnings of current period		8,175,093,075	39,631,137,175
440	TOTAL LIABILITIES AND OWNERS' EQUITY		543,107,598,365	279,751,884,085



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

12 August 2022

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
01	1. Revenue from sale of goods and rendering of services	24.1	177,841,259,809	124,500,961,481
02	2. Deductions	24.1	(31,940,432)	-
10	3. Net revenue from sale of goods and rendering of services	24.1	177,809,319,377	124,500,961,481
11	4. Cost of goods sold and services rendered	25	(143,939,508,932)	(98,692,744,386)
20	5. Gross profit from sale of goods and rendering of services		33,869,810,445	25,808,217,095
21	6. Finance income	24.2	1,938,208,603	1,356,813,916
22 23	7. Finance expenses - In which: Interest expenses	26	(11,148,183,940) (3,847,935,496)	(2,204,883,914) (1,787,724,664)
25	8. Selling expenses	27	(5,992,772,196)	(5,895,680,638)
26	9. General and administrative expenses	27	(7,741,036,661)	(7,525,087,257)
30	10. Operating profit		10,926,026,251	11,539,379,202
31	11. Other income	28	165,336,440	138,999,877
32	12. Other expenses	28	(709,322,255)	(173,432,990)
40	13. Other loss	28	(543,985,815)	(34,433,113)
50	14. Accounting profit before tax		10,382,040,436	11,504,946,089
51	15. Current corporate income tax expense	30.1	(2,191,862,625)	-
52	16. Deferred tax expense	30.3	(15,084,736)	-
60	17. Net profit after tax		8,175,093,075	11,504,946,089
70	18. Basic earnings per share	23.3	555	588
71	19. Diluted earnings per share	23.3	555	588



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant




Phan Ngọc Sơn
General Director

12 August 2022

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		10,382,040,436	11,504,946,089
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets	11, 12, 13	5,359,312,802	4,845,320,923
03	Provisions		31,330,045	289,525,861
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		6,309,870,914	333,090,046
05	Profits from investing activities		(636,866,078)	(789,890,701)
06	Interest expenses	26	3,847,935,496	1,787,724,664
08	Operating profit before changes in working capital		25,293,623,615	17,970,716,882
09	(Increase) decrease in receivables		(10,168,126,651)	4,404,050,947
10	Increase in inventories		(264,447,056,563)	(154,856,126,379)
11	Decrease in payables		(12,494,255,005)	(8,502,942,821)
12	Increase in prepaid expenses		(4,009,984,825)	(1,229,487,461)
14	Interest paid		(3,481,219,567)	(1,652,189,892)
15	Corporate income tax paid	18	(2,404,418,700)	-
17	Other cash outflows for operating activities		(4,077,559,000)	-
20	Net cash flows used in operating activities		(275,788,996,696)	(143,865,978,724)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(6,001,895,893)	(6,497,741,221)
25	Payment for investments in other entities		-	(60,000,000)
27	Interest received		671,252,927	813,003,029
30	Net cash flows used in investing activities		(5,330,642,966)	(5,744,738,192)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	21	381,405,455,495	225,487,477,802
34	Repayment of borrowings	21	(119,754,973,268)	(80,981,697,946)
40	Net cash flows from financing activities		261,650,482,227	144,505,779,856

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
50	Net decrease in cash and cash equivalent for the period		(19,469,157,435)	(5,104,937,060)
60	Cash and cash equivalents at beginning of period		24,505,524,366	11,904,455,933
61	Impact of exchange rate fluctuation		6,269,189	(582,872)
70	Cash and cash equivalents at end of period	4	5,042,636,120	6,798,936,001


Trương Thị Phương Linh
Preparer

Du Trương Linh
Chief Accountant

Phan Ngọc Sơn
General Director

12 August 2022

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

1. CORPORATE INFORMATION

Long An Food Processing Export Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business License No. 003802 GP/TLDN-03 issued by People's Committee of Long An Province on 1 July 1995; amended by Business Registration Certificate No. 1100107301 issued by the Department of Planning and Investment of Long An Province on 1 November 2000, as amended, with the latest being the 12th amended ERC on 30 July 2018.

The Company was listed on the Ho Chi Minh City Stock Exchange with code LAF in accordance with the Decision No. 06/GPPH issued by the State Securities Commission on 6 November 2000. On 9 April 2021, the Company successfully transferred shares from Ho Chi Minh City Stock Exchange to Hanoi Stock Exchange according to the instructions in Official Letter No. 713/UBCK- PTTT on 3 March 2021 of the State Securities Commission. On 6 September 2021, the Company was listed again on the Ho Chi Minh City Stock Exchange under the guidance of Official Letter No. 4236/UBCK-PTTT dated 2 August 2021 of the State Securities Commission.

The current principal activities of the Company are to process, manufacture and trade agricultural products.

The Company's normal course of business cycle is 12 months.

The head office of the Company is located at 81B Highway 62, Ward 2, Tan An City, Long An Province, Vietnam.

The number of the Company's employees as at 30 June 2022 was 168 (31 December 2021: 167).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim financial statements of the Company (the "Company"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim financial position and the interim results of its operations and the interim cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2022

2. BASIS OF PREPARATION (continued)

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The interim financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprises cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, merchandise	- cost of purchase on a weighted average basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the interim balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim income statement.

3.3 *Receivables*

Receivables are presented in the interim financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the interim balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into the general and administrative expense account in the interim income statement.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim income statement.

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim income statement.

3.6 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 25 years
Machinery and equipment	4 - 10 years
Means of transportation	5 - 15 years
Office equipment	3 - 10 years
Computer software	5 - 8 years

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 20 years
Others	6 - 10 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim income statement in the period of retirement or disposal.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Investment properties* (continued)

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.8 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company is the lessee

Rentals under operating leases are charged to the interim income statement on a straight-line basis over the lease term.

3.9 *Investments*

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the interim income statement and deducted against the value of such investments.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the interim balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the interim income statement.

3.10 *Construction in progress*

Construction in progress represents fixed assets under construction and is stated at historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expenses and are amortised to the interim income statement:

- Prepaid rental;
- Tools and consumables with large value issued into production and can be used for more than one year; and
- Substantial expenditure on fixed asset overhaul.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Industrial Zone Infrastructure Investment and Long An City Joint Stock Company on 11 November 2011 for a period of 50 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the interim income statement over the remaining lease period.

3.12 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the interim income statement net of any reimbursement.

3.15 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting PERIOD for all employees who have been in service for more than 12 months up to the interim balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the interim income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.16 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual exchange rates at the transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the interim balance sheet dates which are determined as follows:

- Monetary assets are translated at the buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- Monetary liabilities are translated at the selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the interim income statement.

3.17 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Company's expansion of its operation or of in-depth investments.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the interim balance sheet.

3.18 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest income

Interest income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3.20 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the interim balance sheet date.

Current income tax is charged or credited to the interim income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each interim balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each interim balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity

3.21 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Company's revenue and profit are mainly derived from the business activity of processing, manufacturing and trading agricultural products while other sources of revenue are not material as a whole, management accordingly believes that the Company operates in a sole business segment only. In addition, management also defines the Company's geographical segment to be based on the location of the Company's assets which is in Vietnam.

3.22 Related parties

Parties are considered to be related parties of the Company 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 and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2022	31 December 2021
Cash on hand	266,947,809	286,773,945
Cash in banks	4,775,688,311	4,718,750,421
Cash equivalents (Note 31)	-	19,500,000,000
TOTAL	5,042,636,120	24,505,524,366

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

5. SHORT-TERM INVESTMENTS

	30 June 2022			31 December 2021			VND
	Cost	Provision	Fair value/ Net value	Cost	Provision	Fair value/ Net value	
Held-for-trading securities	1,050,192,168	(1,050,000,000)	192,168	1,050,172,168	(1,050,000,000)	172,168	
Ninh Thuan Agricultural Products							
Export Joint Stock Company	1,050,000,000	(1,050,000,000)	-	1,050,000,000	(1,050,000,000)	-	
Others	192,168	-	192,168	172,168	-	172,168	
Held-to-maturity investments	13,000,000,000	-	13,000,000,000	13,000,000,000	-	13,000,000,000	
Term deposits (*)	13,000,000,000	-	13,000,000,000	13,000,000,000	-	13,000,000,000	
TOTAL	14,050,192,168	(1,050,000,000)	13,000,192,168	14,050,172,168	(1,050,000,000)	13,000,172,168	

(*) These represented term deposits at a bank with original term to maturity of 6 months and earn interest at the rate of 3.7% per annum. As at 30 June 2022 and 31 December 2021, the Company has pledged these term deposit to secure its bank loan facilities (Note 21).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended**6. SHORT-TERM TRADE RECEIVABLES**

	VND	
	30 June 2022	31 December 2021
Trade receivables from other parties	34,848,722,082	24,662,862,938
Trade receivables from related parties (Note 31)	142,538,628	425,437,735
TOTAL	34,991,260,710	25,088,300,673
Provision for doubtful short-term trade receivables (Note 9)	(491,984,717)	(491,984,717)
NET (*)	34,499,275,993	24,596,315,956

(*) As at 30 June 2022 and 31 December 2021, the Company has pledged some short-term trade receivables to secure its bank loan facilities (Note 21).

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	30 June 2022	31 December 2021
Short-term advances to suppliers	7,391,153,915	7,381,067,905
Short-term advances to related parties (Note 31)	30,000,000	-
TOTAL	7,421,153,915	7,381,067,905
Provision for doubtful short-term advances to suppliers (Note 9)	(4,744,546,661)	(4,744,546,661)
NET	2,676,607,254	2,636,521,244

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	30 June 2022	31 December 2021
Deposits	3,775,898,915	193,000,000
Advances to employees	295,959,346	425,509,278
Interest income	160,772,603	195,179,452
Others	145,183,089	155,144,150
TOTAL	4,377,813,953	968,832,880
Provision for doubtful other short-term receivables (Note 9)	(8,500,000)	(8,500,000)
NET	4,369,313,953	960,332,880
<i>In which:</i>		
Other short-term receivables from other parties	4,339,313,953	899,879,455
Other short-term from related parties (Note 31)	30,000,000	60,453,425

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

9. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES

	VND	
	30 June 2022	31 December 2021
Provision for short-term advances to suppliers	4,744,546,661	4,744,546,661
Provision for short-term trade receivables	491,984,717	491,984,717
Provision for assets waiting for resolution	463,000,437	463,000,437
Provision for other short-term receivables	8,500,000	8,500,000
TOTAL	5,708,031,815	5,708,031,815

10. INVENTORIES

	VND	
	30 June 2022	31 December 2021
Raw materials	264,938,204,534	53,901,802,729
Finished goods	94,074,541,699	45,822,601,451
Work in process	12,212,145,630	8,393,390,237
Tools and supplies	5,134,366,697	5,102,485,967
Goods in transit	5,067,700,000	5,090,075,165
Merchandise goods	2,985,131,268	1,712,214,892
Good on consignment	357,645,510	300,108,334
TOTAL (*)	384,769,735,338	120,322,678,775
Provision for obsolete inventories	-	-
NET	384,769,735,338	120,322,678,775

(*) As at 30 June 2022 and 31 December 2021, the Company has pledged some inventories to secure its bank loan facilities (Note 21).

Long An Food Processing Export Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

11. TANGIBLE FIXED ASSETS

					VND
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
Cost:					
As at 31 December 2021	52,300,826,813	57,061,243,340	11,242,998,445	488,745,266	121,093,813,864
New purchases	42,793,980	3,651,926,854	69,000,000	-	3,763,720,834
Transfer from construction in progress	-	593,207,055	-	-	593,207,055
As at 30 June 2022	52,343,620,793	61,306,377,249	11,311,998,445	488,745,266	125,450,741,753
<i>In which:</i>					
<i>Fully depreciated</i>	4,911,361,221	9,605,979,703	2,617,101,863	455,409,368	17,589,852,155
Accumulated depreciation:					
As at 31 December 2021	19,802,165,974	21,956,563,698	5,811,405,873	456,798,364	48,026,933,909
Depreciation for the period	1,175,662,781	3,755,658,363	412,272,880	4,166,988	5,347,761,012
As at 30 June 2022	20,977,828,755	25,712,222,061	6,223,678,753	460,965,352	53,374,694,921
Net carrying amount:					
As at 31 December 2021	32,498,660,839	35,104,679,642	5,431,592,572	31,946,902	73,066,879,955
As at 30 June 2022	31,365,792,038	35,594,155,188	5,088,319,692	27,779,914	72,076,046,832
<i>In which:</i>					
<i>Pledged as loan security (Note 21)</i>	22,715,883,282	7,740,054,831	510,495,000	-	30,966,433,113

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

12. INTANGIBLE FIXED ASSETS

VND
Accounting software**Cost:**As at 31 December 2021 and 30 June 2022 310,629,500*In which:**Fully amortised* 46,763,900**Accumulated amortisation:**As at 31 December 2021 302,204,615
Amortisation for the period 4,680,500As at 30 June 2022 306,885,115**Net carrying amount:**As at 31 December 2021 8,424,885As at 30 June 2022 3,744,385

13. INVESTMENT PROPERTIES

VND

*Buildings and
structures**Others**Total***Cost:**As at 31 December 2021 and 30
June 2022 314,704,875 353,440,561 668,145,436*In which:**Fully depreciated* - 353,440,561 353,440,561**Accumulated depreciation:**As at 31 December 2021 290,027,250 353,440,561 643,467,811
Depreciation for the period 6,871,290 - 6,871,290As at 30 June 2022 296,898,540 353,440,561 650,339,101**Net carrying amount:**As at 31 December 2021 24,677,625 - 24,677,625As at 30 June 2022 17,806,335 - 17,806,335

The fair values of the investment properties were not formally assessed and determined as at 30 June 2022. However, given the current occupancy rate of these properties and market price of surrounding land, it is management's assessment that these properties' market values are higher than their carrying value as at the interim balance sheet date.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

14. CONSTRUCTION IN PROGRESS

	VND	
	30 June 2022	31 December 2021
Machinery waiting for installation	6,695,624,588	2,834,369,055
ERP Software	899,766,000	899,766,000
Fixed asset overhaul	-	47,769,231
TOTAL	7,595,390,588	3,781,904,286

15. PREPAID EXPENSES

	VND	
	30 June 2022	31 December 2021
Short-term	1,011,711,367	282,847,419
Insurance premiums	472,958,606	87,305,972
Tools and equipment	179,712,960	-
Land rental	153,694,056	-
Standardization appraisal fees	113,889,020	161,674,050
Others	91,456,725	33,867,397
Long-term	16,116,510,281	12,835,389,404
Prepaid land rental (*)	8,545,180,355	8,667,609,983
Tools and equipment	4,233,877,536	989,923,850
Repair and maintenance fee	3,337,452,390	3,177,855,571
TOTAL	17,128,221,648	13,118,236,823

(*) The Company has pledged its land use right at Loi Binh Nhon Industrial Zone, Tan An City, Long An Province to secure its bank loan facilities (Note 21).

16. SHORT-TERM TRADE PAYABLES

	VND			
	30 June 2022		31 December 2021	
	Balance	Payable amount	Balance	Payable amount
Trade payables to suppliers	7,188,314,818	7,188,314,818	8,581,579,597	8,581,579,597
Trade payables to related parties (Note 31)	385,711,307	385,711,307	457,765,220	457,765,220
TOTAL	7,574,026,125	7,574,026,125	9,039,344,817	9,039,344,817

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	30 June 2022	31 December 2021
Advances from customers	950,100,777	385,139,324
Advances from a related party (Note 31)	-	42,500,000
TOTAL	950,100,777	427,639,324

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

18. STATUTORY OBLIGATIONS

				VND
	31 December 2021	Increase during the period	Decrease during the period	30 June 2022
Receivables	3,098,617,119	2,949,451,812	(4,735,954,447)	1,312,114,484
Value added tax deductible	3,098,617,119	2,949,451,812	(4,735,954,447)	1,312,114,484
Payables	1,235,839,749	5,141,010,920	(5,219,150,995)	1,157,699,674
Import tax	-	292,360,570	(292,360,570)	-
Value added tax	-	417,612,580	(417,612,580)	-
Corporate income tax	1,235,839,749	2,191,862,625	(2,404,418,700)	1,023,283,674
Personal income tax	-	1,966,343,145	(1,966,343,145)	-
Other taxes	-	272,832,000	(138,416,000)	134,416,000
TOTAL	1,862,777,370	(2,191,559,108)	483,196,548	154,414,810

19. SHORT-TERM ACCRUED EXPENSES

		VND
	30 June 2022	31 December 2021
Processing	555,052,900	-
Interest expenses	421,977,127	55,261,198
Commission	347,711,679	463,543,155
Transportation	96,992,643	-
Others	95,000,000	69,000,000
TOTAL	1,516,734,349	587,804,353

20. OTHER SHORT-TERM PAYABLES

		VND
	30 June 2022	31 December 2021
Dividend payable	29,464,039,000	8,001,000
Payment on behalf	516,019,172	187,211,257
Trade union	83,900,954	86,351,044
Others	229,887,795	856,954,390
TOTAL	30,293,846,921	1,138,517,691

Long An Food Processing Export Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

21. SHORT-TERM LOANS

VND

	31 December 2021		Movement during the period			30 June 2022	
	Balance	Payable amount	Increase	Decrease	Revaluation	Balance	Payable amount
Loans from banks	57,483,880,302	57,483,880,302	381,405,455,495	(119,754,973,268)	6,265,809,462	325,400,171,991	325,400,171,991

Details of the short-term loans from banks to finance working capital are as follows:

	30 June 2022		Principal and interest repayment term	Interest rate (% p.a.)	Description of collateral (Notes 5,6,10,11 and 15)
	USD	VND			
Vietnam Joint Stock Commercial Bank For Industry And Trade – Ho Chi Minh Branch					
Loan 1	5,412,661	127,143,395,147	From 4 September 2022 to 8 March 2023	3.0	The loan is partly secured by land use right, associated assets, machineries, equipment at 81B, Highway 62, Tan An City, Long An Province and associated assets at Lot I.1, Road No. 1, Loi Binh Nhon Industrial Complex, Loi Binh Nhon Commune, Tan An City, Long An Province. The remaining credit balance is secured by bank term deposit, rotating inventories and rotating receivables from customers
Loan 2	-	16,608,706,266	From 1 January 2023 to 26 January 2023	5.7 - 6.5	
United Overseas Bank (Vietnam) Company Limited - Ho Chi Minh Branch					
Loan 1	-	46,542,793,000	From 9 September 2022 to 15 September 2022	4.6 - 5.2	Rotating inventories with the amount up to 3,000,000 USD

Long An Food Processing Export Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

21. SHORT-TERM LOANS (continued)

Details of the short-term loans from banks to finance working capital are as follows (continued):

	<div>30 June 2022</div>		Principal and interest repayment term	Interest rate (% p.a.)	Description of collateral (Notes 5,6,10,11 and 15)
	USD	VND			
CTBC Bank Company Limited - Ho Chi Minh Branch					
Loan 1	-	18,418,662,906	From 17 December 2022 to 27 December 2022	5 - 5.8	Mortgage over the Company's inventories holding with value of up to 3,000,000 USD
Hong Leong Bank Vietnam Limited - Ho Chi Minh Branch					
Loan 1	2,142,110	50,318,163,900	From 2 December 2022 to 8 January 2023	2.42 - 2.93	Unsecured
Loan 2	-	18,841,623,880	From 19 October 2022 to 12 January 2023	4.39 - 5.31	
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ha Noi Branch					
Loan 1	2,023,279	47,526,826,892	From 23 December 2022 to 14 January 2023	2.0	Mortgage over the Company's inventories holding with value of up to VND 90,000,000,000
TOTAL	9,578,050	325,400,171,991			

Long An Food Processing Export Joint Stock Company

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2022 and for the six-month period then ended

22. LONG-TERM PROVISION

Long-term provision represented severance allowance pay to employees.

23. OWNERS' EQUITY

23.1 Movement in owners' equity

	Share capital	Undistributed earnings	VND Total
For the six-month period ended 30 June 2021			
As at 31 December 2020	147,280,190,000	11,283,168,911	158,563,358,911
Net profit for the period	-	11,504,946,089	11,504,946,089
Bonus fund	-	(1,735,000,000)	(1,735,000,000)
As at 30 June 2021	<u>147,280,190,000</u>	<u>21,053,115,000</u>	<u>168,333,305,000</u>
For the six-month period ended 30 June 2022			
As at 31 December 2021	147,280,190,000	49,179,306,086	196,459,496,086
Net profit for the period	-	8,175,093,075	8,175,093,075
Dividend declared (i)	-	(29,456,038,000)	(29,456,038,000)
Bonus and welfare fund (i)	-	(5,692,000,000)	(5,692,000,000)
As at 30 June 2022	<u>147,280,190,000</u>	<u>22,206,361,161</u>	<u>169,486,551,161</u>

(i) In accordance with Resolution of Shareholders No. 01/NQ.DHDCD.LAF dated 20 April 2022, the Company's shareholders unanimously approved bonus, welfare fund and dividend declared total amounting to VND 5,692,000,000 and VND 29,456,038,000, respectively.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

23. OWNERS' EQUITY (continued)

23.2 Shares

	<i>Number of shares</i>	
	<i>30 June 2022</i>	<i>31 December 2021</i>
Authorised shares	14,728,019	14,728,019
Issued shares		
<i>Ordinary shares</i>	14,728,019	14,728,019
Shares in circulation		
<i>Ordinary shares</i>	14,728,019	14,728,019

The Company's shares are issued with par value of VND 10,000 per share (31 December 2021: VND 10,000 per share).

23.3 Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021 (as restated)</i>	<i>For the six-month period ended 30 June 2021 (as previously presented)</i>
Net profit after tax (VND)	8,175,093,075	11,504,946,089	11,504,946,089
Less: Bonus and welfare fund (i)	-	(2,846,000,000)	-
Net profit attributable to ordinary equity holders (VND)	8,175,093,075	8,658,946,089	11,504,946,089
Weighted average number of ordinary shares in circulation (<i>shares</i>)	14,728,019	14,728,019	14,728,019
Earnings per share (<i>VND/share</i>)			
- <i>Basic</i>	555	588	781
- <i>Diluted</i>	555	588	781

- (i) Net profit used to compute earnings per share for the six-month period ended 30 June 2021 as presented in the interim financial statements was adjusted to reflect the actual allocation to bonus and welfare fund from 2021 retained earnings following the Resolution of the Shareholders Meeting Minutes No. 01/NQ.DHDCD.LAF dated 20 April 2022.

Net Profit used to compute earnings per share for the six-month period ended 30 June 2022 was not adjusted for the allocation to Bonus and welfare fund from 2022 profit as the resolution of the shareholders meeting on such distribution of profit for the current period is not yet available

There have been no dilutive potential ordinary shares during the period and up to the date of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended**24. REVENUE****24.1 Revenue from sales of goods and rendering of services**

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Gross revenue	177,841,259,809	124,500,961,481
<i>In which:</i>		
Revenue from sale of goods	177,841,259,809	124,500,925,481
Revenue from rendering of services	-	36,000
Less	(31,940,432)	-
Sales returns	(9,017,227)	-
Sale discounts	(22,923,205)	-
NET	177,809,319,377	124,500,961,481
<i>In which:</i>		
Revenue from sale of goods	177,809,319,377	124,500,925,481
Revenue from rendering of services	-	36,000
<i>In which:</i>		
Sales to third parties	177,045,240,735	122,506,143,295
Sales to related parties (Note 31)	764,078,642	1,994,818,186

24.2 Finance income

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Foreign exchange gains	1,301,342,525	566,923,215
Bank interest income	636,838,878	789,890,701
Dividend	27,200	-
TOTAL	1,938,208,603	1,356,813,916

25. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2021
Cost of goods sold	143,939,508,932	98,737,744,386
Reversal of provision for obsolete inventories	-	(45,000,000)
TOTAL	143,939,508,932	98,692,744,386

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

26. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Foreign exchange losses	7,300,248,444	417,159,250
Loan interest	3,847,935,496	1,787,724,664
TOTAL	11,148,183,940	2,204,883,914

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Selling expenses	5,992,772,196	5,895,680,638
Transportation expenses	2,004,514,930	1,533,031,878
Commission expenses	1,167,368,837	913,910,197
Labour costs	872,904,205	1,447,644,002
Advertising expenses	752,489,414	574,080,480
Export expenses	546,810,030	544,724,831
Packing expenses	74,810,130	143,496,801
Others	573,874,650	738,792,449
General and administrative expenses	7,741,036,661	7,525,087,257
Labour costs	3,080,685,640	3,803,180,177
External service expenses	1,430,869,813	1,097,333,610
Depreciation	224,170,422	242,011,528
Others	3,005,310,786	2,382,561,942
TOTAL	13,733,808,857	13,420,767,895

28. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Other income	165,336,440	138,999,877
Income from payable exemption	1,357,508	26,417,400
Others	163,978,932	112,582,477
Other expenses	(709,322,255)	(173,432,990)
Expenses without supporting documents	(637,174,367)	(142,981,577)
Losses on disposal of tools	(56,598,685)	(8,245,548)
Others	(15,549,203)	(22,205,865)
NET OTHER LOSS	(543,985,815)	(34,433,113)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

29. PRODUCTION AND OPERATING COSTS BY ELEMENTS

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Cost of materials	177,404,704,156	93,787,562,110
Labour costs	12,070,071,676	13,044,987,469
Expenses for external services	8,300,834,871	7,343,098,564
Depreciation and amortisation	5,359,312,802	4,845,320,923
Others	7,882,006,301	4,139,430,557
TOTAL	211,016,929,806	123,160,399,623

30. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable income.

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim financial statements could change at a later date upon final determination by the tax authorities.

30.1 Current CIT

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Current tax expense	2,191,862,625	-
Deferred tax expense	15,084,736	-
TOTAL	2,206,947,361	-

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Accounting profit before tax	10,382,040,436	11,504,946,089
At CIT rate applied 20%	2,076,408,087	2,300,989,218
<i>Adjustments:</i>		
Non-deductible expenses	130,539,274	34,686,598
Changes in foreign exchange differences	-	(7,910,621)
Changes in severance allowance	-	48,905,172
Tax loss carried forward	-	(2,376,670,367)
CIT expenses	2,206,947,361	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

30. CORPORATE INCOME TAX (continued)

30.2 Current tax

The current CIT payable is based on taxable income for the current period. The taxable income of the Company for the period differs from the accounting profit as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted at the interim balance sheet date.

30.3 Deferred tax

The following are deferred tax assets recognised by the Company, and the movements thereon, during the current and previous periods:

	<i>Interim balance sheet</i>		<i>Interim income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Severance allowance	559,990,225	553,724,216	6,266,009	-
Foreign exchange arising from revaluation of monetary accounts denominated in monetary currency	(3,476,958)	17,873,787	(21,350,745)	-
Deferred tax assets	556,513,267	571,598,003		
Deferred tax credit			(15,084,736)	-

30.4 Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable income arising within five consecutive years subsequent to the year in which the loss was incurred. At the interim balance sheet date and as at 31 December 2021, the Company had no tax available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount (*)</i>	<i>Utilized up to 30 June 2022</i>	<i>Forfeited</i>	<i>Unutilized at 31 December 2021</i>
2017	2022	4,933,503,187	(4,933,503,187)	-	-
2018	2023	61,887,171,101	(61,887,171,101)	-	-
TOTAL		66,820,674,288	(66,820,674,288)	-	-

(*) Estimated tax loss as per the Company's corporate income tax declaration for the six-month period ended 30 June 2022 has not been audited by the local tax authorities as of the date of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

31. TRANSACTIONS WITH RELATED PARTIES

List of related parties as at 30 June 2022 is as follows:

<i>Related parties</i>	<i>Relationship</i>
The Pan Group Joint Stock Company	Parent company
Golden Beans Coffee Joint Stock Company	Affiliate
Saigon Securities Incorporation	Affiliate
Western Bibica One member Ltd.	Affiliate
Coco Food Company Limited	Affiliate
Sao Ta Foods Joint Stock Company	Affiliate
PAN Consumer Goods Distribution Joint Stock Company	Affiliate
PAN Food Joint Stock Company	Affiliate
NDH Consulting Company Limited	Affiliate
SSI Asset Management Company Limited	Affiliate
Bibica Bien Hoa One Member Company Limited	Affiliate
Vietnam National Seed Group Joint Stock Company	Affiliate
Ben Tre Aquaproduct Import & Export Joint Stock Company	Affiliate
Vietnam Fumigation Joint Stock Company	Affiliate
584 Nha Trang Seafood Joint Stock Company	Affiliate
PAN-HULIC Joint Stock Company	Affiliate
PAN Farm Joint Stock Company	Affiliate

Significant transactions with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
Saigon Securities Incorporation	Affiliate	Settlement of deposit contract	43,755,523,231	-
		Term deposit	24,000,000,000	43,000,000,000
		Interest income	255,523,231	497,367,805
		Refund accrued interest income	30,453,425	-
		Sale of goods	2,607,960	16,920,409
Golden Beans Coffee Joint Stock Company	Affiliate	Purchase of goods	884,959,038	362,916,000
		Sale of goods	-	21,983,727
Western Bibica One member Ltd.	Affiliate	Sale of goods	228,024,600	-
Coco Food Company Limited	Affiliate	Sale of goods	177,963,700	152,143,231
Sao Ta Foods Joint Stock Company	Affiliate	Sale of goods	168,686,064	328,950,000
PAN Consumer Goods Distribution Joint Stock Company	Affiliate	Sale of goods	150,694,448	772,050,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties during the period were as follows (continued):

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2021</i>
PAN Food Joint Stock Company	Affiliate	Purchase of services	60,000,000	-
	Parent company to 17 May 2021	Purchase of services	-	60,000,000
NDH Consulting Company Limited	Affiliate	Purchase of service	40,850,000	9,000,000
SSI Asset Management Company Limited	Affiliate	Sale of goods	23,238,210	8,955,137
Bibica Bien Hoa One Member Company Limited	Affiliate	Sale of goods	6,450,000	680,022,500
Vietnam National Seed Group Joint Stock Company	Affiliate	Sale of goods	6,413,660	-
Ben Tre Aquaproduct Import & Export Joint Stock Company	Affiliate	Purchase of goods	-	27,921,000
		Sale of goods	-	13,793,182

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at interim balance sheet dates were as follows:

			VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>30 June 2022</i>	<i>31 December 2021</i>
Cash equivalents				
Saigon Securities Incorporation	Affiliate	Term deposit (*)	-	19,500,000,000
(*) Cash equivalents represented deposits with the original maturity of one (1) month and earn interest at the applicable rates of 4.7% per annum.				
Short-term trade receivables				
Coco Food Company Limited	Affiliate	Sale of goods	80,785,161	336,165,735
Saigon Securities Incorporation	Affiliate	Sale of goods	25,097,267	-
Western Bibica One Member Ltd.	Affiliate	Sale of goods	24,013,200	64,500,000
Bibica Bien Hoa One Member Company Limited	Affiliate	Sale of goods	6,450,000	-
PAN Consumer Goods Distribution Joint Stock Company	Affiliate	Sale of goods	6,193,000	24,772,000
			142,538,628	425,437,735
Other short-term receivables				
PAN Food Joint Stock Company	Affiliate	Deposit	30,000,000	30,000,000
Saigon Securities Incorporation	Affiliate	Others	-	30,453,425
			30,000,000	60,453,425

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties as at interim balance sheet dates were as follows (continued):

			VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term advances to suppliers				
Saigon Securities Incorporation	Affiliate	Purchase of goods	30,000,000	-
Short-term trade payables				
Golden Beans Coffee Joint Stock Company	Affiliate	Purchase of goods	374,711,307	446,765,220
PAN Food Joint Stock Company	Affiliate	Purchase of services	11,000,000	11,000,000
			385,711,307	457,765,220
Short-term advances from customers				
Sao Ta Foods Joint Stock Company	Affiliate	Sale of goods	-	42,500,000

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

		VND	
<i>Individuals</i>	<i>Position</i>	<i>For the six-month period ended 30 June 2022</i>	<i>For the six-month period ended 30 June 2022</i>
Mr Nguyen Van Khai	Chairman	60,000,000	200,000,000
Ms Nguyen Thai Hanh Linh	Member of Board of Director	48,000,000	158,000,000
Mr Phan Ngoc Son	Member of Board of Director cum General Director	691,750,000	1,073,423,076
Ms Huynh Thi Ngoc My	Deputy General Director	371,627,371	458,964,540
TOTAL		1,171,377,371	1,890,387,616

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2021 and for the six-month period then ended

32. COMMITMENTS

The Company leases office premises under operating lease arrangement. The minimum lease commitments as at the interim balance sheet dates under the operating lease agreements are as follows:

	VND	
	30 June 2022	31 December 2021
Less than 1 year	137,037,000	137,037,000
More than 1 to 5 years	377,194,343	446,169,633
TOTAL	514,231,343	583,206,633

33. OFF BALANCE SHEET ITEMS

Cash balance included foreign currencies other than VND are as follows:

	30 June 2022	31 December 2021
Foreign currencies:		
- US Dollar ("USD")	59,898.94	53,833.36

34. IMPORTANT EVENT DURING THE PERIOD

Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these interim financial statements.

35. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There has been no significant event occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

12 August 2022