

Long An Food Processing Export Joint Stock Company

Financial statements

For the year ended 31 December 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 shareholding 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 its shares from Ho Chi Minh City Stock Exchange to Hanoi Stock Exchange according to the instructions in the 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 the 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 year 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 year 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 year 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 year 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 financial statements of the Company for the year ended 31 December 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those 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 financial statements; and
- ▶ prepare the 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 financial position of the Company and ensuring 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 financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Phan Ngọc Sơn
General Director

Long An Province, Vietnam

15 March 2023

Reference: 61207844/22986868

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Long An Food Processing Export Joint Stock Company ("the Company") as prepared on 15 March 2023 and set out on pages 5 to 36, which comprise the balance sheet as at 31 December 2022, and the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as 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.

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 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 give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2022, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



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



Tran Thanh Thuy
Auditor
Audit Practicing Registration Certificate
No: 3076-2019-004-1

Ho Chi Minh City, Vietnam

15 March 2023

BALANCE SHEET
as at 31 December 2022

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		305,323,649,690	189,403,009,927
110	I. Cash and cash equivalents	4	12,845,494,252	24,505,524,366
111	1. Cash		12,845,494,252	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		45,597,330,706	28,193,170,080
131	1. Short-term trade receivables	6	43,342,432,375	25,088,300,673
132	2. Short-term advances to suppliers	7	6,943,986,979	7,381,067,905
136	3. Other short-term receivables	8	487,880,137	968,832,880
137	4. Provision for doubtful short-term receivables	9	(5,176,968,785)	(5,708,031,815)
139	5. Shortage of assets waiting for resolution		-	463,000,437
140	IV. Inventories	10	231,377,459,423	120,322,678,775
141	1. Inventories		231,377,459,423	120,322,678,775
150	V. Other current assets		2,503,173,141	3,381,464,538
151	1. Short-term prepaid expenses	15	460,422,410	282,847,419
152	2. Value-added tax deductible	18	2,042,750,731	3,098,617,119
200	B. NON-CURRENT ASSETS		98,322,218,909	90,348,874,158
220	I. Fixed assets		81,315,882,018	73,075,304,840
221	1. Tangible fixed assets	11	81,315,882,018	73,066,879,955
222	Cost		140,640,744,145	121,093,813,864
223	Accumulated depreciation		(59,324,862,127)	(48,026,933,909)
227	2. Intangible fixed assets	12	-	8,424,885
228	Cost		310,629,500	310,629,500
229	Accumulated amortisation		(310,629,500)	(302,204,615)
230	II. Investment properties	13	8,186,530	24,677,625
231	1. Cost		668,145,436	668,145,436
232	2. Accumulated depreciation		(659,958,906)	(643,467,811)
240	III. Long-term assets in progress		1,114,766,000	3,781,904,286
242	1. Construction in progress	14	1,114,766,000	3,781,904,286
250	IV. Long-term investments		60,000,000	60,000,000
253	1. Investment in other entities		60,000,000	60,000,000
260	V. Other long-term assets		15,823,384,361	13,406,987,407
261	1. Long-term prepaid expenses	15	15,230,705,532	12,835,389,404
262	2. Deferred tax assets	30.3	592,678,829	571,598,003
270	TOTAL ASSETS		403,645,868,599	279,751,884,085

BALANCE SHEET (continued)
as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		216,592,148,154	83,292,387,999
310	I. Current liabilities		213,851,497,336	80,523,766,918
311	1. Short-term trade payables	16	2,881,607,870	9,039,344,817
312	2. Short-term advances from customers	17	426,424,966	427,639,324
313	3. Statutory obligations	18	2,737,644,784	1,235,839,749
314	4. Payables to employees		5,150,685,310	10,609,476,404
315	5. Short-term accrued expenses	19	1,008,285,231	587,804,353
319	6. Other short-term payables	20	30,969,700,735	1,138,517,691
320	7. Short-term loans	21	169,424,443,162	57,483,880,302
322	8. Bonus and welfare funds		1,252,705,278	1,264,278
330	II. Non-current liabilities		2,740,650,818	2,768,621,081
342	1. Long-term provisions	22	2,740,650,818	2,768,621,081
400	D. OWNERS' EQUITY		187,053,720,445	196,459,496,086
410	I. Owners' equity	23	187,053,720,445	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		39,773,530,445	49,179,306,086
421a	- Undistributed earnings by the end of prior year		14,031,268,086	9,548,168,911
421b	- Undistributed earnings of current year		25,742,262,359	39,631,137,175
440	TOTAL LIABILITIES AND OWNERS' EQUITY		403,645,868,599	279,751,884,085



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

15 March 2023

INCOME STATEMENT

for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	24.1	509,848,437,014	415,382,034,689
02	2. Deductions	24.1	(31,940,432)	-
10	3. Net revenue from sale of goods and rendering of services	24.1	509,816,496,582	415,382,034,689
11	4. Cost of goods sold and services rendered	25	(428,529,707,225)	(334,344,282,596)
20	5. Gross profit from sale of goods and rendering of services		81,286,789,357	81,037,752,093
21	6. Finance income	24.2	3,834,742,795	5,121,656,769
22	7. Finance expenses	26	(21,075,028,860)	(5,420,953,584)
23	- In which: Interest expenses		(9,808,418,470)	(3,733,964,826)
25	8. Selling expenses	27	(13,101,683,676)	(15,157,180,396)
26	9. General and administrative expenses	27	(17,070,028,188)	(20,464,367,090)
30	10. Operating profit		33,874,791,428	45,116,907,792
31	11. Other income	28	357,549,001	130,656,037
32	12. Other expenses	28	(1,654,935,161)	(2,009,184,908)
40	13. Other loss	28	(1,297,386,160)	(1,878,528,871)
50	14. Accounting profit before tax		32,577,405,268	43,238,378,921
51	15. Current corporate income tax expense	30.1	(6,856,223,735)	(4,178,839,749)
52	16. Deferred tax income	30.3	21,080,826	571,598,003
60	17. Net profit after tax		25,742,262,359	39,631,137,175
70	18. Basic earnings per share	23.3	1,748	2,304
71	19. Diluted earnings per share	23.3	1,748	2,304



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

15 March 2023

CASH FLOW STATEMENT
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		32,577,405,268	43,238,378,921
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets	11, 12, 13	11,322,844,198	9,816,862,292
03	Provision (reversal of provision)		(559,033,293)	130,538,951
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		6,400,188,101	853,170,842
05	Profits from investing activities		(911,427,058)	(263,958,869)
06	Interest expenses	26	9,808,418,470	3,733,964,826
08	Operating profit before changes in working capital		58,638,395,686	57,508,956,963
09	Increase in receivables		(16,055,071,654)	(1,914,870,483)
10	Increase in inventories		(111,054,780,648)	(46,954,431,910)
11	(Decrease) increase in payables		(12,606,378,635)	3,051,181,165
12	Increase in prepaid expenses		(2,572,891,119)	(1,176,250,802)
14	Interest paid		(9,319,588,054)	(3,700,524,785)
15	Corporate income tax paid	18	(5,354,418,700)	(2,943,000,000)
17	Other cash outflows for operating activities		(4,440,559,000)	(1,735,000,000)
20	Net cash flows (used in) from operating activities		(102,765,292,124)	2,136,060,148
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(15,790,645,120)	(18,481,088,411)
22	Proceeds from disposals of fixed assets		-	15,281,819
25	Payment for investments in other entities		-	(60,000,000)
27	Interest received		1,106,586,510	1,076,539,304
30	Net cash flows used in investing activities		(14,684,058,610)	(17,449,267,288)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	21	559,541,329,811	336,299,169,717
34	Repayment of borrowings	21	(453,716,765,483)	(308,380,814,283)
40	Net cash flows from financing activities		105,824,564,328	27,918,355,434

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash for the year		(11,624,786,406)	12,605,148,294
60	Cash and cash equivalents at beginning of year	4	24,505,524,366	11,904,455,933
61	Impact of exchange rate fluctuation		(35,243,708)	(4,079,861)
70	Cash and cash equivalents at end of year	4	12,845,494,252	24,505,524,366



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

15 March 2023

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2022 and for the year then ended

1. CORPORATE INFORMATION

Long An Food Processing Export Joint Stock Company ("the Company") is a shareholding 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 31 December 2022 was 172 (31 December 2021: 167).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The financial statements of the Company (the "Company"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and 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 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 financial position and the results of operations and cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 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 balance sheet date.

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

3.3 Receivables

Receivables are presented in the 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 balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into the general and administrative expenses account in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 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 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 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 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 income statement in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 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 expense in the financial statements 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 balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 balance sheet and amortised over the year for which the amounts are paid or the year 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 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 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 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 year for all employees who have been in service for more than 12 months up to the 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 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 46 of the Labour Code.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 transaction 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 year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

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

All foreign exchange differences incurred are taken to the 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 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 balance sheet.

3.18 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year 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 year.

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 year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the 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 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Taxation (continued)

Deferred tax

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 balance sheet date.

Deferred tax is charged or credited to the 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 tax 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. Therefore the presentation of segmental information is not required

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	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	274,015,613	286,773,945
Cash in banks	12,571,478,639	4,718,750,421
Cash equivalents (Note 31)	-	19,500,000,000
TOTAL	<u>12,845,494,252</u>	<u>24,505,524,366</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

5. SHORT-TERM INVESTMENTS

	Ending balance			Beginning balance			VND
	Cost	Provision	Fair value/ Net value	Cost	Provision	Fair value/ Net value	
Held-for-trading securities							
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	
	<u>1,050,192,168</u>	<u>(1,050,000,000)</u>	<u>192,168</u>	<u>1,050,172,168</u>	<u>(1,050,000,000)</u>	<u>172,168</u>	
Held-to-maturity investments							
Term deposits (*)	13,000,000,000	-	13,000,000,000	13,000,000,000	-	13,000,000,000	
TOTAL	<u>14,050,192,168</u>	<u>(1,050,000,000)</u>	<u>13,000,192,168</u>	<u>14,050,172,168</u>	<u>(1,050,000,000)</u>	<u>13,000,172,168</u>	

(*) These represented short-term deposits at VietinBank with original term to maturity of 6 months and earn interest at the rate of 3.7% per annum.
As at 31 December 2022 and 31 December 2021, these short-term deposits were pledged as collateral for the Company's short term loan (Note 21).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Trade receivables from other parties	42,678,221,434	24,662,862,938
Trade receivables from related parties (Note 31)	664,210,941	425,437,735
TOTAL	43,342,432,375	25,088,300,673
Provision for doubtful short-term trade receivables (Note 9)	(454,933,462)	(491,984,717)
NET (*)	42,887,498,913	24,596,315,956

(*) As at 31 December 2022 and 31 December 2021, a part of short-term trade receivables are being pledged as collateral for the Company's short-term loans at Commercial Banks (Note 21).

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Short-term advances to suppliers	6,913,986,979	7,381,067,905
Short-term advances to a related party (Note 31)	30,000,000	-
TOTAL	6,943,986,979	7,381,067,905
Provision for doubtful short-term advances to suppliers (Note 9)	(4,722,035,323)	(4,744,546,661)
NET	2,221,951,656	2,636,521,244

8. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Deposits	193,000,000	193,000,000
Advances to employees	130,154,110	425,509,278
Interest receivables	-	195,179,452
Others	164,726,027	155,144,150
TOTAL	487,880,137	968,832,880
Provision for doubtful other short-term receivables (Note 9)	-	(8,500,000)
NET	487,880,137	960,332,880
<i>In which:</i>		
Other short-term receivables from other parties	457,880,137	899,879,455
Other short-term from related parties (Note 31)	30,000,000	60,453,425

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

9. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Provision for short-term advances to suppliers	4,722,035,323	4,744,546,661
Provision for short-term trade receivables	454,933,462	491,984,717
Provision for assets waiting for resolution	-	463,000,437
Provision for other short-term receivables	-	8,500,000
TOTAL	5,176,968,785	5,708,031,815

10. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Finished goods	115,944,264,541	45,822,601,451
Raw materials	98,847,918,237	53,901,802,729
Merchandise goods	6,415,447,468	1,712,214,892
Work in process	5,204,278,910	8,393,390,237
Tools and supplies	4,686,803,424	5,102,485,967
Good on consignment	278,746,843	300,108,334
Goods in transit	-	5,090,075,165
TOTAL (*)	231,377,459,423	120,322,678,775

(*) As at 31 December 2022 and 31 December 2021, a part of inventories are being pledged as collateral for the Company's short-term loans at Commercial Banks (Note 21).

Long An Food Processing Export Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

11. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	VND Total
Cost:					
Beginning balance	52,300,826,813	57,061,243,340	11,242,998,445	488,745,266	121,093,813,864
New purchases	42,793,980	16,653,398,015	69,000,000	114,600,000	16,879,791,995
Transfer from construction in progress	-	2,667,138,286	-	-	2,667,138,286
Ending balance	52,343,620,793	76,381,779,641	11,311,998,445	603,345,266	140,640,744,145
<i>In which:</i>					
Fully depreciated	5,097,229,956	12,593,716,820	2,617,101,863	455,409,368	20,763,458,007
Accumulated depreciation:					
Beginning balance	19,802,165,974	21,956,563,698	5,811,405,873	456,798,364	48,026,933,909
Depreciation for the year	2,386,742,262	8,055,081,906	838,220,074	17,883,976	11,297,928,218
Ending balance	22,188,908,236	30,011,645,604	6,649,625,947	474,682,340	59,324,862,127
Net carrying amount:					
Beginning balance	32,498,660,839	35,104,679,642	5,431,592,572	31,946,902	73,066,879,955
Ending balance	30,154,712,557	46,370,134,037	4,662,372,498	128,662,926	81,315,882,018
<i>In which:</i>					
Pledged as loan security (Note 21)	22,009,851,353	6,909,310,598	477,660,000	-	29,396,821,951

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

12. INTANGIBLE FIXED ASSETS

	VND
<i>Accounting software</i>	
Cost:	
Beginning and ending balances	310,629,500
<i>In which:</i>	
<i>Fully amortised</i>	310,629,500
Accumulated amortisation:	
Beginning balance	302,204,615
Amortisation for the year	8,424,885
Ending balance	310,629,500
Net carrying amount:	
Beginning balance	8,424,885
Ending balance	-

13. INVESTMENT PROPERTIES

	VND		
	<i>Buildings and structures</i>	<i>Others</i>	<i>Total</i>
Cost:			
Beginning and ending balances	314,704,875	353,440,561	668,145,436
<i>In which:</i>			
<i>Fully depreciated</i>	-	353,440,561	353,440,561
Accumulated depreciation:			
Beginning balance	290,027,250	353,440,561	643,467,811
Depreciation for the year	16,491,095	-	16,491,095
Ending balance	306,518,345	353,440,561	659,958,906
Net carrying amount:			
Beginning balance	24,677,625	-	24,677,625
Ending balance	8,186,530	-	8,186,530

The fair values of the investment properties were not formally assessed and determined as at 31 December 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

14. CONSTRUCTION IN PROGRESS

	VND	
	Ending balance	Beginning balance
ERP Software	1,049,766,000	899,766,000
Machinery waiting for installation	65,000,000	2,834,369,055
Fixed asset overhaul	-	47,769,231
TOTAL	1,114,766,000	3,781,904,286

15. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	460,422,410	282,847,419
Standardization appraisal fees	155,132,276	161,674,050
Insurance premiums	135,410,683	87,305,972
Repair and maintenance fee	96,166,171	-
Others	73,713,280	33,867,397
Long-term	15,230,705,532	12,835,389,404
Prepaid land rental (*)	8,422,750,727	8,667,609,983
Tools and equipment	4,275,465,530	989,923,850
Repair and maintenance fee	2,532,489,275	3,177,855,571
TOTAL	15,691,127,942	13,118,236,823

(*) As at 31 December 2022, 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			
	Ending balance		Beginning balance	
	Balance	Payable amount	Balance	Payable amount
Trade payables to suppliers	2,870,607,870	2,870,607,870	8,581,579,597	8,581,579,597
Trade payables to related parties (Note 31)	11,000,000	11,000,000	457,765,220	457,765,220
TOTAL	2,881,607,870	2,881,607,870	9,039,344,817	9,039,344,817

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Advances from customers	426,424,966	385,139,324
Advances from a related party (Note 31)	-	42,500,000
TOTAL	426,424,966	427,639,324

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

18. STATUTORY OBLIGATIONS

	<i>Beginning balance</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>VND Ending balance</i>
Receivable				
Value added tax	3,098,617,119	6,454,638,275	(7,510,504,663)	2,042,750,731
Payables				
Corporate income tax	1,235,839,749	6,856,223,735	(5,354,418,700)	2,737,644,784
Personal income tax	-	2,211,122,173	(2,211,122,173)	-
Import tax	-	1,273,525,234	(1,273,525,234)	-
Value added tax	-	1,182,972,733	(1,182,972,733)	-
Other taxes	-	295,077,577	(295,077,577)	-
TOTAL	1,235,839,749	11,818,921,452	(10,317,116,417)	2,737,644,784

19. SHORT-TERM ACCRUED EXPENSES

	<i>VND Ending balance</i>	<i>Beginning balance</i>
Interest expenses	321,647,777	55,261,198
Commission	264,363,178	463,543,155
Penalty fee	210,000,000	-
Processing fee	22,274,276	-
Others	190,000,000	69,000,000
TOTAL	1,008,285,231	587,804,353

20. OTHER SHORT-TERM PAYABLES

	<i>VND Ending balance</i>	<i>Beginning balance</i>
Dividends payable	29,456,038,000	-
Payment on behalf	681,816,899	187,211,257
Due to related parties (Note 31)	224,443,837	-
Trade union payable	88,414,373	86,351,044
Others	518,987,626	864,955,390
TOTAL	30,969,700,735	1,138,517,691

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

21. SHORT-TERM LOANS

	Beginning balance		Movement during the year			Ending balance	
	Balance	Payable amount	Increase	Decrease	Revaluation	Balance	Payable amount
Loans from related parties (Note 31)	-	-	60,000,000,000	(35,000,000,000)	-	25,000,000,000	25,000,000,000
Loans from banks	57,483,880,302	57,483,880,302	499,541,329,811	(418,716,765,483)	6,115,998,532	144,424,443,162	144,424,443,162
TOTAL	57,483,880,302	57,483,880,302	559,541,329,811	(453,716,765,483)	6,115,998,532	169,424,443,162	169,424,443,162

VND

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

	31 December 2022		Principal and interest payment 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	811,444	19,279,917,043	From 5 January 2023 to 22 June 2023	3.0 - 5.2	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 1.1, 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	-	5,593,956,799	From 26 January 2023 to 27 June 2023	5.7 - 8.5	

Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ha Noi Branch

Loan 1	2,705,765	64,288,966,312	From 2 January 2023 to 8 June 2023	2 - 4.7	The loan is secured by the Company's inventories holding with value of up to VND 90,000,000,000
Loan 2	-	3,637,018,483	From 10 May 2023 to 16 May 2023	5.9 - 8	

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

21. SHORT-TERM LOANS (continued)

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

31 December 2022		Principal and interest payment 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	136,360	3,239,913,600	From 17 January 2023 to 8 March 2023	4.9 - 5
Loan 2	-	19,175,622,137	From 20 February 2023 to 17 May 2023	6.9 - 11.8
Hong Leong Bank Vietnam Limited - Ho Chi Minh Branch				
Loan 1	1,113,050	26,446,068,000	From 9 January 2023 to 29 May 2023	2.7 - 6.52
Loan 2	-	2,762,980,788	13 April 2023	6.25
TOTAL	4,766,619	144,424,443,162		Unsecured
Details of the short-term loans from related party to finance working capital are as follows:				
31 December 2022		Maturity date	Interest rate (% p.a.)	Description of collateral (Notes 5, 6, 10, 11 and 15)
USD	VND			
The Pan Group Joint Stock Company				
Loan 1		25,000,000,000	31 March 2023	5.1
TOTAL		25,000,000,000		Unsecured

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

22. LONG-TERM PROVISION

Long-term provision represented severance allowance pay to employees.

23. OWNERS' EQUITY

23.1 Movement in owners' equity

			VND
	Share capital	Undistributed earnings	Total
Previous year			
Beginning balance	147,280,190,000	11,283,168,911	158,563,358,911
Net profit for the year	-	39,631,137,175	39,631,137,175
Board of Directors, Board of Management and Board of Supervision	-	(1,735,000,000)	(1,735,000,000)
Ending balance	147,280,190,000	49,179,306,086	196,459,496,086
Current year			
Beginning balance	147,280,190,000	49,179,306,086	196,459,496,086
Net profit for the year	-	25,742,262,359	25,742,262,359
Dividend declared (i)	-	(29,456,038,000)	(29,456,038,000)
Bonus and welfare fund (i)	-	(5,692,000,000)	(5,692,000,000)
Ending balance	147,280,190,000	39,773,530,445	187,053,720,445

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

23.2 Shares

	Number of shares	
	Ending balance	Beginning balance
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).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

23. OWNERS' EQUITY (continued)

23.3 Earnings per share

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

	Current year	Previous year (as restated)	Previous year (as previously presented)
Net profit after tax (VND)	25,742,262,359	39,631,137,175	39,631,137,175
Less: Bonus for Board of Directors, Board of Management and Board of Supervision(i)	-	(5,692,000,000)	(3,712,443,363)
Net profit attributable to ordinary equity holders (VND)	25,742,262,359	33,939,137,175	35,918,693,812
Weighted average number of ordinary shares in circulation (shares)	14,728,019	14,728,019	14,728,019
Earnings per share (VND/share)			
- Basic	1,748	2,304	2,439
- Diluted	1,748	2,304	2,439

(i) Net profit used to compute earnings per share for the year ended 31 December 2021 was restated following the actual allocation of bonus for Board of Directors, Board of Management and Board of Supervision for the year.

Net profit used to compute earnings per share for the year ended 31 December 2022 was not adjusted for bonus for Board of Directors, Board of Management and Board of Supervision because the bonus has not been approved by general shareholders meeting as at the date of these financial statements.

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

23.4 Capital transactions with shareholders and distribution of dividends

	Current year	Previous year
VND		
Share capital		
Beginning balance and ending balance	147,280,190,000	147,280,190,000
Dividends declared/paid	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

24. REVENUE

24.1 Revenue from sales of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	509,848,437,014	415,382,034,689
<i>In which:</i>		
Revenue from sale of goods	509,848,437,014	415,379,810,069
Revenue from rendering of services	-	2,224,620
Less	(31,940,432)	-
Sales returns	(9,017,227)	-
Sale discounts	(22,923,205)	-
NET	509,816,496,582	415,382,034,689
<i>In which:</i>		
Revenue from sale of goods	509,816,496,582	415,379,810,069
Revenue from rendering of services	-	2,224,620
<i>In which:</i>		
Sales to third parties	507,103,501,409	411,913,413,283
Sales to related parties (Note 31)	2,712,995,173	3,468,621,406

24.2 Finance income

	VND	
	Current year	Previous year
Foreign exchange gains	2,923,315,737	4,041,033,903
Bank interest income	911,427,058	1,080,622,866
TOTAL	3,834,742,795	5,121,656,769

25. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of goods sold	428,529,707,225	334,444,282,596
Reversal of provision for obsolete inventories	-	(100,000,000)
TOTAL	428,529,707,225	334,344,282,596

26. FINANCE EXPENSES

	VND	
	Current year	Previous year
Foreign exchange losses	11,266,610,390	1,678,059,454
Interest expenses	9,808,418,470	3,733,964,826
Provision for investments	-	8,929,304
TOTAL	21,075,028,860	5,420,953,584

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Selling expenses	13,101,683,676	15,157,180,396
Transportation expenses	4,725,263,873	4,266,312,921
Labour costs	2,517,855,894	2,424,488,889
Commission expenses	1,976,640,582	2,292,361,787
Advertising expenses	1,465,147,961	1,873,732,913
Export expenses	1,299,567,991	1,464,121,001
Packing expenses	111,303,834	1,135,810,046
Others	1,005,903,541	1,700,352,839
General and administrative expenses	17,070,028,188	20,464,367,090
Labour costs	8,675,202,231	12,534,649,594
External service expenses	2,426,148,584	2,380,388,965
Depreciation	448,548,716	466,912,052
Others	5,520,128,657	5,082,416,479
TOTAL	30,171,711,864	35,621,547,486

28. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	357,549,001	130,656,037
Written-off payable	191,192,144	26,417,528
Others	166,356,857	104,238,509
Other expenses	(1,654,935,161)	(2,009,184,908)
Expenses without supporting documents	(1,581,845,381)	(1,109,669,048)
Losses on disposal of tools	(56,598,685)	(831,945,816)
Others	(16,491,095)	(67,570,044)
NET OTHER LOSS	(1,297,386,160)	(1,878,528,871)

29. PRODUCTION AND OPERATING COSTS BY ELEMENTS

	VND	
	Current year	Previous year
Cost of materials	455,954,588,127	309,819,152,838
Labour costs	30,116,768,258	36,401,810,158
Expenses for external services	17,183,933,271	16,932,616,848
Depreciation and amortisation (Note 11, 12, 13)	11,322,844,198	9,816,862,292
Others	15,759,069,574	12,269,182,320
TOTAL	530,337,203,428	385,239,624,456

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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 financial statements could change at a later date upon final determination by the tax authorities.

30.1 Current CIT

	VND	
	Current year	Previous year
Current tax expense	6,856,223,735	4,178,839,749
Deferred tax income	(21,080,826)	(571,598,003)
TOTAL	6,835,142,909	3,607,241,746

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

	VND	
	Current year	Previous year
Accounting profit before tax	32,577,405,268	43,238,378,921
At CIT rate applied 20%	6,515,481,054	8,647,675,784
<i>Adjustments:</i>		
Non-deductible expenses	319,661,855	235,447,817
Unrecognised deferred tax on temporary differences	-	(517,494,862)
Tax loss carried forward	-	(4,758,386,993)
CIT expenses	6,835,142,909	3,607,241,746

30.2 Current tax

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

30. CORPORATE INCOME TAX (continued)

30.3 Deferred tax

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

	<i>Balance sheet</i>		<i>Income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Severance allowance	548,130,164	553,724,216	(5,594,052)	553,724,216
Foreign exchange arising from revaluation of monetary accounts denominated in foreign currency	44,548,665	17,873,787	26,674,878	17,873,787
Deferred tax assets	592,678,829	571,598,003		
Net deferred tax credit to income statement			21,080,826	571,598,003

31. TRANSACTIONS WITH RELATED PARTIES

List of related parties as at 31 December 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
Vietnam National Seed Group Joint Stock Company	Affiliate
Bibica Ha Noi One Member Company Limited	Affiliate
PAN-HULIC Joint Stock Company	Affiliate
PAN Farm Joint Stock Company	Affiliate
Mr Nguyen Van Khai	Chairman
Ms Nguyen Thai Hanh Linh	Member of Board of Directors
Mr Phan Ngoc Son	Member of Board of Directors
Mr Nguyen Kim Lan	Head of Board of Supervision
Mr Pham Minh Tu	Member of Board of Supervision
Ms Huynh Thi Tuyet Mai	Member of Board of Supervision
Mr Phan Ngoc Son	General Director
Ms Huynh Thi Ngoc My	Deputy General Director

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions	Current year	VND Previous year
Saigon Securities Incorporation	Affiliate	Settlement of deposit contract	79,155,523,231	-
		Term deposit	59,400,000,000	64,500,000,000
		Interest income	449,483,685	382,943,880
		Sale of goods	6,536,849	18,215,864
The PAN Group Joint Stock Company	Parent company	Drawdown loan	50,000,000,000	-
		Payment loan	25,000,000,000	-
		Interest expense	742,882,192	-
Golden Beans Coffee Joint Stock Company	Affiliate	Drawdown loan	10,000,000,000	-
		Payment loan	10,000,000,000	-
		Purchase of goods	1,603,907,352	1,050,859,800
		Interest expense	121,561,643	-
Western Bibica One Member Ltd.	Affiliate	Sale of goods	11,050,000	33,954,091
			958,740,040	84,100,000
Coco Food Company Limited	Affiliate	Sale of goods	635,109,735	648,348,985
PAN Consumer Goods Distribution Joint Stock Company	Affiliate	Sale of goods	553,436,093	1,326,177,500
Sao Ta Foods Joint Stock Company	Affiliate	Sale of goods	168,686,064	328,950,000
Bibica Ha Noi One Member Company Limited	Affiliate	Sale of goods	167,695,920	-
Bibica Bien Hoa One Member Company Limited	Affiliate	Sale of goods	152,145,000	987,022,500
		Purchase of goods	425,000	-
PAN Food Joint Stock Company	Affiliate	Purchase of services	121,851,852	120,000,000
		Sale of goods	1,832,222	-
SSI Asset Management Company Limited	Affiliate	Sale of goods	43,888,478	9,810,557
NDH Consulting Company Limited	Affiliate	Purchase of services	40,850,000	170,650,470
Vietnam National Seed Group Joint Stock Company	Affiliate	Sale of goods	13,874,772	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

			VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Cash equivalents				
Saigon Securities Incorporation	Affiliate	Term deposit	-	19,500,000,000
Short-term trade receivables				
Coco Food Company Limited	Affiliate	Sale of goods	419,502,879	336,165,735
Western Bibica One Member Ltd.	Affiliate	Sale of goods	111,268,080	64,500,000
PAN Consumer Goods Distribution Joint Stock Company	Affiliate	Sale of goods	83,260,683	24,772,000
Bibica Bien Hoa One Member Company Limited	Affiliate	Sale of goods	18,030,600	-
SSI Asset Management Company Limited	Affiliate	Sale of goods	17,868,698	-
Vietnam National Seed Group Joint Stock Company	Affiliate	Sale of goods	8,058,001	-
Saigon Securities Incorporation	Affiliate	Sale of goods	4,243,200	-
PAN Food Joint Stock Company	Affiliate	Sale of goods	1,978,800	-
			664,210,941	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
Short-term advances to suppliers				
Saigon Securities Incorporation	Affiliate	Purchase of goods	30,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

			VND	
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade payables				
PAN Food Joint Stock Company	Affiliate	Purchase of services	11,000,000	11,000,000
Golden Beans Coffee Joint Stock Company	Affiliate	Purchase of goods	-	446,765,220
			11,000,000	457,765,220
Short-term advances from customers				
Sao Ta Foods Joint Stock Company	Affiliate	Sale of goods	-	42,500,000
Other short-term payables				
The Pan Group Joint Stock Company	Parent company	Interest	222,443,837	-
Pan Food Joint Stock Company	Affiliate	Payment on behalf	2,000,000	-
			224,443,837	-
Short-term loans				
The Pan Group Joint Stock Company	Parent company	Loan	25,000,000,000	-

Transactions with other related parties

Remuneration to members of the Board of Directors, Board of Management and Board of Supervision:

			VND	
<i>Individuals</i>	<i>Position</i>	<i>Current year</i>	<i>Previous year</i>	
Mr Nguyen Van Khai	Chairman	419,534,885	279,535,000	
Ms Nguyen Thai Hanh Linh	Member of Board of Director	311,627,907	221,628,000	
Mr Phan Ngoc Son	Member of Board of Director cum General Director	2,870,987,384	2,199,071,588	
Ms Huynh Thi Ngoc My	Deputy General Director	1,494,377,678	980,345,003	
Ms Ngo Thi Kim Phung	Head of Board of Supervision (up to 20 April 2022)	25,000,000	89,767,000	
Mr Nguyen Kim Lan	Head of Board of Supervision (from 20 April 2022)	86,767,442	70,814,000	
Ms Dinh Thi Hai Yen	Member of Board of Supervision (up to 20 April 2022)	22,000,000	70,814,000	
Mr Pham Minh Tu	Member of Board of Supervision (from 20 April 2022)	43,813,953	-	
Ms Huynh Thi Tuyet Mai	Member of Board of Supervision (from 20 April 2022)	43,813,953	-	
TOTAL		5,317,923,202	3,911,974,591	

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

32. COMMITMENTS

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

		VND
	Ending balance	Beginning balance
Less than 1 year	137,037,000	137,037,000
More than 1 to 5 years	309,132,633	446,169,633
TOTAL	446,169,633	583,206,633

33. OFF BALANCE SHEET ITEMS

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

	Ending balance	Beginning balance
Foreign currencies:		
- US Dollar ("USD")	431,192.81	53,833.36

35. EVENTS AFTER THE BALANCE SHEET DATE

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



Trương Thị Phương Linh
Preparer



Du Trương Linh
Chief Accountant



Phan Ngọc Sơn
General Director

15 March 2023