

International Dairy Products Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2022



International Dairy Products Joint Stock Company

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International Dairy Products Joint Stock Company

GENERAL INFORMATION

THE COMPANY

International Dairy Products Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 0500463609 issued by the Department of Planning and Investment ("DPI") of Hanoi City on 24 November 2014, as subsequently amended.

The current principal activities of the Company are to manufacture and trade milk and milk products.

The Company's registered head office is located at Duc Thinh Hamlet, Tan Linh Commune, Ba Vi District, Hanoi City, Vietnam. In addition, the Company has one (1) independent branch at Slot C-13A-CN, N16 Street, Bau Bang Extension Industrial Park, Long Tan Ward, Dau Tieng District, Binh Duong Province.

BOARD OF DIRECTORS

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

Mr To Hai	Chairman
Ms Dang Pham Minh Loan	Member
Mr Dinh Quang Hoan	Member
Ms Truong Nguyen Thien Kim	Member
Mr Doan Huu Nguyen	Independent Member

BOARD OF SUPERVISION

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

Ms Hoang Ngoc Trieu Duong	Head	appointed on 12 January 2022
Mr Nguyen Van Khoa	Head	resigned on 12 January 2022
Ms Ton Minh Phuong	Member	
Mr Truong Ngoc Hoai Phuong	Member	resigned on 7 April 2022

MANAGEMENT

Members of management during the year and at the date of this report are:

Ms Dang Pham Minh Loan	Chief Executive Officer
Mr Pham Trong Bao Chau	Managing Director
Ms Chu Hai Yen	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report are Ms Dang Pham Minh Loan and Mr To Hai.

AUDITORS

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

International Dairy Products Joint Stock Company

REPORT OF MANAGEMENT

Management of International Dairy Products Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2022.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated 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 consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

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

For and on behalf of management:



Dang Pham Minh Loan
General Director

Hanoi City, Vietnam

16 March 2023

Reference: 11432708/66711585-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of International Dairy Products Joint Stock Company

We have audited the accompanying consolidated financial statements of International Dairy Products Joint Stock Company ("the Company") and its subsidiaries ("the Group") as prepared on 16 March 2023 and set out on pages 5 to 32 which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement and the consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group'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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited



Le Vu Truong
Deputy General Director
Audit Practicing Registration Certificate
No: 1588-2023-004-1

Ly Hong My
Auditor
Audit Practicing Registration Certificate
No: 4175-2022-004-1

Ho Chi Minh City, Vietnam

16 March 2023

CONSOLIDATED BALANCE SHEET
as at 31 December 2022

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,681,975,211,923	1,927,861,796,874
110	I. Cash	4	84,081,277,083	20,354,327,793
111	1. Cash		84,081,277,083	20,354,327,793
120	II. Short-term investment		1,208,564,246,144	1,207,255,584,370
123	1. Held-to-maturity investments	5	1,208,564,246,144	1,207,255,584,370
130	III. Current accounts receivables		954,137,861,400	350,412,330,607
131	1. Short-term trade receivables	6.1	114,086,258,884	84,297,295,844
132	2. Short-term advances to suppliers	6.2	309,043,403,193	231,581,535,475
136	3. Other short-term receivables	7	531,008,199,323	34,533,499,288
140	IV. Inventories	8	390,145,859,736	340,545,159,440
141	1. Inventories		392,562,152,827	345,771,230,378
149	2. Provision for obsolete inventories		(2,416,293,091)	(5,226,070,938)
150	V. Other current assets		45,045,967,560	9,294,394,664
151	1. Short-term prepaid expenses	12	7,150,094,250	5,236,291,437
152	2. Value added tax deductibles	14	31,846,435,858	548,121,801
153	3. Tax and other receivables from the State	14	6,049,437,452	3,509,981,426

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2022

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		1,158,163,647,658	1,038,107,826,052
210	I. Long-term receivable		3,606,214,422	204,524,316,694
216	1. Other long-term receivables	7	3,606,214,422	204,524,316,694
220	II. Fixed assets		686,551,037,916	773,471,993,492
221	1. Tangible fixed assets	9	683,999,216,182	770,413,464,550
222	Cost		1,412,443,140,120	1,354,346,292,463
223	Accumulated depreciation		(728,443,923,938)	(583,932,827,913)
227	2. Intangible assets	10	2,551,821,734	3,058,528,942
228	Cost		19,226,243,762	15,523,770,762
229	Accumulated amortisation		(16,674,422,028)	(12,465,241,820)
240	III. Long-term asset in progress		372,037,527,409	17,432,808,445
242	1. Construction in progress	11	372,037,527,409	17,432,808,445
250	IV. Long-term investments		4,852,815,121	131,250,000
253	1. Investments in other entities	5	-	131,250,000
255	2. Held-to-maturity investment	5	4,852,815,121	-
260	V. Other long-term assets		91,116,052,790	42,547,457,421
261	1. Long-term prepaid expenses	12	54,955,509,972	42,547,457,421
262	2. Deferred tax assets	25.3	36,160,542,818	-
270	TOTAL ASSETS		3,840,138,859,581	2,965,969,622,926

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		2,032,961,325,221	1,645,175,228,750
310	I. Current liabilities		1,984,433,174,011	1,645,175,228,750
311	1. Short-term trade payables	13.1	662,528,691,498	525,622,254,060
312	2. Short-term advances from customers	13.2	26,816,424,238	53,355,641,910
313	3. Statutory obligations	14	45,273,248,266	99,989,694,149
314	4. Payables to employees		59,519,620,424	50,296,815,602
315	5. Short-term accrued expenses	15	433,674,609,582	363,456,642,845
319	6. Other short-term payables	16	11,837,966,854	9,211,261,374
320	7. Short-term loans	17	743,102,646,719	541,562,952,380
322	8. Bonus and welfare fund		1,679,966,430	1,679,966,430
330	II. Non-current liabilities		48,528,151,210	-
338	1. Long-term loans	17	48,528,151,210	-
400	D. OWNERS' EQUITY		1,807,177,534,360	1,320,794,394,176
410	I. Capital	18.1	1,807,177,534,360	1,320,794,394,176
411	1. Share capital		589,454,720,000	589,454,720,000
411a	- Shares with voting rights		589,454,720,000	589,454,720,000
412	2. Share premium		275,323,280,000	275,323,280,000
418	3. Investment and development fund	26	5,150,000,000	5,150,000,000
421	4. Undistributed earnings		937,149,532,963	450,866,394,176
421a	- Undistributed earnings (accumulated losses) by the end of prior year		450,866,394,176	(77,216,572,890)
421b	- Undistributed earnings during the year		486,283,138,787	528,082,967,066
429	5. Non-controlling interests		100,001,397	-
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,840,138,859,581	2,965,969,622,926


Phan Van Thang
Preparer/ Chief Accountant




Dang Pham Minh Loan
General Director

16 March 2023

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	20.1	6,175,732,154,199	4,902,888,220,187
02	2. Deductions	20.1	(89,272,144,305)	(75,802,806,498)
10	3. Net revenue from sale of goods	20.1	6,086,460,009,894	4,827,085,413,689
11	4. Cost of goods sold	21	(3,723,452,630,577)	(2,744,021,307,020)
20	5. Gross profit from sale of goods		2,363,007,379,317	2,083,064,106,669
21	6. Finance income	20.2	101,406,608,178	74,623,906,404
22	7. Finance expenses	23	(57,301,311,403)	(27,484,455,429)
23	<i>In which: Interest expense</i>		(27,538,609,021)	(19,765,095,933)
25	8. Selling expenses	22	(1,281,925,844,465)	(989,177,057,587)
26	9. General and administrative expenses	22	(134,341,917,282)	(102,577,625,839)
30	10. Operating profit		990,844,914,345	1,038,448,874,218
31	11. Other income		9,403,690,543	3,626,075,592
32	12. Other expenses		(10,183,672,424)	(464,254,522)
40	13. Other (loss) profit		(779,981,881)	3,161,821,070
50	14. Accounting profit before tax		990,064,932,464	1,041,610,695,288
51	15. Current corporate income tax expense	25.1	(215,742,239,098)	(218,800,368,222)
52	16. Deferred tax income	25.3	36,160,542,818	-
60	17. Net profit after tax		810,483,236,184	822,810,327,066
61	18. Net profit after tax attributable to shareholders of the parent		810,483,234,787	822,810,327,066
62	19. Net profit after tax attributable to non-controlling interests		1,397	-
70	20. Basic earnings per share	19	13,750	13,959
71	21. Diluted earnings per share	19	13,750	13,959


Phan Van Thang
Preparer/ Chief Accountant




Dang Pham Minh Loan
General Director

16 March 2023

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2022

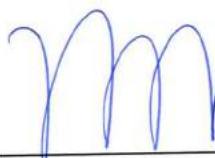
VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		990,064,932,464	1,041,610,695,288
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	9, 10	148,720,276,233	123,846,479,714
03	(Reversal of) provisions		(2,809,777,847)	3,173,194,918
04	Foreign exchange losses (gains) arising from revaluation of monetary accounts denominated in foreign currency		13,984,920,202	(2,470,823,262)
05	Profits from investing activities		(83,467,838,103)	(57,714,514,203)
06	Interest expense	23	27,574,506,558	19,765,095,933
08	Operating profit before changes in working capital		1,094,067,019,507	1,128,210,128,388
09	Increase in receivables		(432,290,517,258)	(350,548,610,856)
10	Increase in inventories		(46,790,922,449)	(36,284,522,283)
11	Increase in payables		325,513,044,462	193,072,290,073
12	Increase in prepaid expenses		(14,321,855,364)	(1,617,970,324)
14	Interest paid		(27,085,759,172)	(19,846,094,194)
15	Corporate income tax paid	14	(270,700,634,953)	(166,855,146,768)
20	Net cash flows from operating activities		628,390,374,773	746,130,074,036
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(479,171,416,455)	(246,141,585,190)
22	Proceeds from disposals of fixed assets		-	1,090,911,196
23	Term deposits at banks		(1,697,024,978,292)	(1,792,255,584,370)
24	Collections from bank deposits		1,607,255,584,370	1,465,062,465,752
26	Proceeds from sales of investments in other entities		1,131,330,271	-
27	Interest received		78,113,076,486	57,690,008,733
30	Net cash flows used in investing activities		(489,696,403,620)	(514,553,783,879)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution	18	100,000,000	-
33	Drawdown of borrowings	17	3,275,557,779,463	3,923,136,245,309
34	Repayment of borrowings	17	(3,026,404,707,866)	(3,855,739,378,046)
35	Dividend paid	18.1	(324,200,096,000)	(294,727,360,000)
40	Net cash flows used in financing activities		(74,947,024,403)	(227,330,492,737)

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

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash for the year		63,746,946,750	4,245,797,420
60	Cash at beginning of year		20,354,327,793	16,121,435,661
61	Impact of exchange rate fluctuation		(19,997,460)	(12,905,288)
70	Cash at end of year	4	84,081,277,083	20,354,327,793



Phan Van Thang
Preparer/ Chief Accountant



Dang Pham Minh Loan
General Director

16 March 2023

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

1. CORPORATE INFORMATION

International Dairy Products Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 0500463609 issued by the Department of Planning and Investment ("DPI") of Hanoi City on 24 November 2014, as subsequently amended.

The current principal activities of the Company are to manufacture and trade milk and milk products.

The Company's registered head office is located at Duc Thinh Hamlet, Tan Linh Commune, Ba Vi District, Hanoi City, Vietnam. In addition, the Company has one (1) independent branch at Slot C-13A-CN, N16 Street, Bau Bang Extension Industrial Park, Long Tan Ward, Dau Tieng District, Binh Duong Province.

The number of the Company's employees as at 31 December 2022 was 1,951 (31 December 2021: 1,710).

Corporate structure

The organizational structure of the Group of Companies consists of one subsidiary incorporated and registered in Ho Chi Minh City, Vietnam. Details of subsidiary are presented as follows:

Company	Principal activities	Percentage of ownership of the Company	
		Ending balance	Beginning balance
Subsidiary			
Green Light Investment Joint Stock Company	Real estate	99.98%	-

- (*) During the year, the Group contributed VND 499,900,000,000 to establish Green Light Investment Joint Stock Company, which is currently a shareholding company incorporated under the Enterprise Law of Vietnam under the ERC No. 0317452407 issued on 30 August 2022 by the Department of Planning and Investment of Ho Chi Minh City and the main business of this company is real estate trading.

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

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiary ("the Group"), 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 the:

- ▶ 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 consolidated financial statements and related notes 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 consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2022.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprise cash on hand and cash in banks.

3.2 Receivables

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

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

3.3 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 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, and consumables - 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 merchandise goods, raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the consolidated balance sheet date.

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

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 consolidated income statement as incurred.

When 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 consolidated income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible 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 consolidated income statement as incurred.

When intangible 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 consolidated income statement.

Land use rights

Land use rights are recorded as intangible assets when the Group has the land use right certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use and is not amortised as having indefinite useful life.

3.6 *Depreciation and amortisation*

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

Buildings and structures	6 – 31 years
Machinery and equipment	5 – 15 years
Means of transportation	6 – 17 years
Office equipment	5 – 6 years
Computer software	3 – 7 years
Other assets	4 – 20 years

3.7 *Borrowing costs*

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

3.8 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated 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.

Prepaid land rental

Prepaid rental is recognised as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3.9 *Investments*

Investments in other entities

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 consolidated income statement and deducted against the value of such investments.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *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 Group.

3.11 *Foreign currency transactions*

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

- Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

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

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

All exchange differences incurred are taken to the consolidated income statement.

3.12 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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

Revenue is recognised as the interest accrues unless collectability is in doubt.

3.13 *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 consolidated balance sheet date.

Current income tax is charged or credited to the consolidated 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 Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Taxation* (continued)

Deferred tax

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

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 profits 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 consolidated 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 income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each consolidated 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.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.14 *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 Group (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 Group (after adjusting for interest on the convertible preference shares) 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Segment information

The Group's principal activities are to manufacture and trade milk and milk products. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Company is manufacturing or the locations where the Group is trading. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.16 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	269,447,073	724,486,550
Cash in banks	83,811,830,010	19,629,841,243
TOTAL	84,081,277,083	20,354,327,793

5. INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Bank deposits (*)	1,208,564,246,144	1,207,255,584,370
Long-term		
Held-to-maturity investments (**)	4,852,815,121	-
Investments in other entities	-	131,250,000
TOTAL	1,213,417,061,265	1,207,386,834,370

(*) The balance represented short-term deposits at commercial bank with the original maturities of more than three (3) months and less than twelve (12) months and earn interest at the rate from 4.6 to 10.8% p.a.

The deposits of VND 609 billion were pledged for the Group's short-term bank loans (Note 17).

(**) The balance represented long-term deposits at Hongkong and Shanghai Banking Private International Bank with the original maturities is 36 months and earn interest at 4.5% and use as collateral for loan from this bank.

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

6. TRADE RECEIVABLES AND ADVANCE TO SUPPLIERS

6.1 Short-term trade receivables

	VND	
	Ending balance	Beginning balance
Wincommerce General Commercial Services Joint Stock Company	35,507,939,806	24,132,265,213
B.S Lucky Company Limited	22,507,206,571	24,249,656,751
Others	56,071,112,507	35,915,373,880
TOTAL	<u>114,086,258,884</u>	<u>84,297,295,844</u>

6.2 Short-term advances to suppliers

	VND	
	Ending balance	Beginning balance
Tetra Pak South East Asia Pte. Ltd.	92,314,511,316	24,658,694,136
An Phong Construction Joint Stock Company	61,755,294,981	-
SIDEL Blowing and Services Company	50,524,200,000	50,524,200,000
Phuc Dat Real Estate Joint Stock Company	37,300,000,000	46,000,000,000
Daitanviet Joint Stock Company	-	70,559,940,000
Others	67,149,396,896	39,838,701,339
TOTAL	<u>309,043,403,193</u>	<u>231,581,535,475</u>

7. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	531,008,199,323	34,533,499,288
Staff advances (*)	506,943,980,474	17,072,190,529
Interest receivables	20,245,218,849	15,890,537,503
Others	3,819,000,000	1,570,771,256
Long-term	3,606,214,422	204,524,316,694
Deposit for land rental	-	202,483,380,000
Others	3,606,214,422	2,040,936,694
TOTAL	<u>534,614,413,745</u>	<u>239,057,815,982</u>
<i>In which</i>		
Other receivables from other parties	531,365,612,456	234,276,161,559
Other receivables from a related party (Note 26)	3,248,801,289	4,781,654,423

(*) In which, an advance equivalent to VND 490 billion under contract No. 001-2022/HDVD to receive the transfer of land use rights from households and individuals in Binh Chanh District, Ho Chi Minh City.

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

8. INVENTORIES

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Raw materials	211,266,954,498	(2,416,293,091)	164,436,912,365	(5,226,070,938)
Finished goods	79,413,233,252	-	87,601,653,965	-
Goods in transit	62,462,443,336	-	71,292,878,198	-
Tools and supplies	32,967,757,416	-	13,859,379,421	-
Merchandise goods	5,804,986,662	-	8,410,127,294	-
Work in process	646,777,663	-	170,279,135	-
TOTAL	<u>392,562,152,827</u>	<u>(2,416,293,091)</u>	<u>345,771,230,378</u>	<u>(5,226,070,938)</u>

Detail of movements of provision for obsoletes inventories:

	VND	
	<i>Current year</i>	<i>Previous year</i>
At beginning of year	5,226,070,938	2,052,876,020
Add: Provision made during the year	-	3,173,194,918
Less: Reversal of provision during the year	<u>(2,809,777,847)</u>	-
At end of year	<u>2,416,293,091</u>	<u>5,226,070,938</u>

International Dairy Products Joint Stock Company

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total	VND
Cost:							
Beginning balance	192,144,966,747	1,129,862,523,137	8,661,938,238	23,117,874,185	558,990,156	1,354,346,292,463	
New purchases	31,695,361,836	21,076,587,822	960,940,181	10,113,957,818	-	63,846,847,657	
Disposal	-	(5,750,000,000)	-	-	-	(5,750,000,000)	
Ending balance	223,840,328,583	1,145,189,110,959	9,622,878,419	33,231,832,003	558,990,156	1,412,443,140,120	
<i>In which:</i>							
Fully depreciated	13,828,210,292	267,481,288,671	1,005,245,455	13,639,319,418	-	295,954,063,836	
Accumulated depreciation:							
Beginning balance	(73,472,942,004)	(489,140,814,069)	(2,515,333,600)	(18,260,240,445)	(543,497,795)	(583,932,827,913)	
Depreciation for the year	(14,583,359,678)	(124,359,614,026)	(1,472,784,601)	(4,079,845,359)	(15,492,361)	(144,511,096,025)	
Ending balance	(88,056,301,682)	(613,500,428,095)	(3,988,118,201)	(22,340,085,804)	(558,990,156)	(728,443,923,938)	
Net carrying amount:							
Beginning balance	118,672,024,743	640,721,709,068	6,146,604,638	4,857,633,740	15,492,361	770,413,464,550	
Ending balance	135,784,026,901	531,688,682,864	5,634,760,218	10,891,746,199	-	683,999,216,182	

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

10. INTANGIBLE ASSETS

	VND
	<i>Computer software</i>
Cost:	
Beginning balance	15,523,770,762
New purchase	<u>3,702,473,000</u>
Ending balance	<u>19,226,243,762</u>
<i>In which:</i>	
Fully amortized	982,097,105
Accumulated amortisation:	
Beginning balance	(12,465,241,820)
Amortisation for the year	<u>(4,209,180,208)</u>
Ending balance	<u>(16,674,422,028)</u>
Net carrying amount:	
Beginning balance	<u>3,058,528,942</u>
Ending balance	<u>2,551,821,734</u>

11. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Machinery and equipment under installation	363,514,046,047	6,717,351,190
Factory under construction	<u>8,523,481,362</u>	<u>10,715,457,255</u>
TOTAL	<u>372,037,527,409</u>	<u>17,432,808,445</u>

12. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	7,150,094,250	5,236,291,437
Expenses of upgrading information technology system	5,664,557,669	-
Tools and equipment	1,059,320,866	715,951,787
Warehouse rental	290,400,000	-
Promotional items	-	4,517,574,850
Others	135,815,715	2,764,800
Long-term	54,955,509,972	42,547,457,421
Prepaid land rental	51,543,493,452	38,560,125,450
Tools and equipment	2,695,273,895	1,499,029,606
Compensation cost for site clearance of Chuong My factory	716,742,625	739,436,323
Prepaid office rental	-	1,560,228,619
Others	-	188,637,423
TOTAL	<u>62,105,604,222</u>	<u>47,783,748,858</u>

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

13. TRADE PAYABLES AND ADVANCE FROM CUSTOMERS

13.1 Short-term trade payables

	VND	
	Ending balance	Beginning balance
Lami Packaging (Hong Kong) Co., Ltd	93,383,304,907	80,221,526,555
Dong Tay Promotion Corporation	46,167,233,038	43,722,560,000
Dau Cong Software Joint Stock Company	26,833,091,098	28,004,502,500
Thanh Thanh Cong Sugarland Joint Stock Company	24,471,277,500	9,286,704,000
Others	471,673,784,955	364,386,961,005
TOTAL	662,528,691,498	525,622,254,060

13.2 Short-term advance from customers

	VND	
	Ending balance	Beginning balance
Advance from third parties	26,816,424,238	53,355,641,910

14. STATUTORY OBLIGATIONS

	VND			
	Beginning balance	Increase in year	Decrease in year	Ending balance
Receivables				
Value-added tax	548,121,801	486,934,028,178	(455,635,714,121)	31,846,435,858
Payables				
Enterprise income tax	96,079,234,921	215,742,239,098	(270,700,634,953)	41,120,839,066
Value-added tax	1,832,650,655	78,923,003,907	(80,095,225,595)	660,428,967
Personal income tax	2,077,808,573	22,722,436,141	(21,308,264,481)	3,491,980,233
Import tax	-	2,546,557,514	(2,546,557,514)	-
Others	-	2,338,337,133	(2,338,337,133)	-
TOTAL	99,989,694,149	322,272,573,793	(376,989,019,676)	45,273,248,266

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

15. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advertising expenses	260,292,186,448	238,962,571,995
Selling expenses	170,530,918,563	116,093,724,574
Interest expenses	696,865,855	208,118,469
Transportation fees	422,849,911	-
Others	1,731,788,805	8,192,227,807
TOTAL	<u>433,674,609,582</u>	<u>363,456,642,845</u>

16. OTHER SHORT-TERM PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Deposit received	8,477,773,600	6,515,768,400
Compulsory insurance and trade union	2,403,946,610	2,574,512,802
Others	956,246,644	120,980,172
TOTAL	<u>11,837,966,854</u>	<u>9,211,261,374</u>

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

17. LOANS

	Beginning balance	Drawdown	Repayment	Foreign exchange difference	Ending balance	VND
Short-term						
Loans from banks	541,562,952,380	3,227,029,628,253	(3,026,404,707,866)	914,773,952	743,102,646,719	
Long-term						
Loans from banks	-	48,528,151,210	-	-	48,528,151,210	
TOTAL	541,562,952,380	3,275,557,779,463	(3,026,404,707,866)	914,773,952	791,630,797,929	

Details of loans from commercial banks are as follows:

Lenders	Ending balance	Maturity date	Interest rate (% p.a.)	Description of collateral
Short-term				
Bank of Investment and Development of Vietnam	457,254,125,495	From 10 January 2023 to 17 April 2023	4.8 – 6.5	Bank deposits of VND 398 billion Milk line "Tetra Pak A3 Speed V500" according purchase contract No TPSEA/20-0020, TPSEA/20-0053, TPSEA/20-0037-02
Hongkong and Shanghai Banking Private International Bank	201,522,682,448	From 7 January 2023 to 29 March 2023	6.8 – 7.6	Bank deposits of VND 120 billion
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Phu Nhuan Branch	84,325,838,776	From 18 May 2023 to 29 June 2023	7.0 – 7.6	Bank deposits of VND 90 billion
	<u>743,102,646,719</u>			
Long-term				
Hongkong and Shanghai Banking Private International Bank	<u>48,528,151,210</u>	29 December 2025	9.0	Bank deposits of VND 4.8 billion and future asset that finance from the loan

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

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings (accumulated losses)	Non-controlling interest	Total	VND
Previous year:							
Beginning balance	589,454,720,000	275,323,280,000	5,150,000,000	(77,216,572,890)	-	792,711,427,110	
Net profit for the year	-	-	-	822,810,327,066	-	822,810,327,066	
Dividends declared	-	-	-	(294,727,360,000)	-	(294,727,360,000)	
Ending balance	589,454,720,000	275,323,280,000	5,150,000,000	450,866,394,176	-	1,320,794,394,176	
Current year:							
Beginning balance	589,454,720,000	275,323,280,000	5,150,000,000	450,866,394,176	-	1,320,794,394,176	
Increase in capita of non-controlling interest	-	-	-	-	100,000,000	100,000,000	
Net profit for the year	-	-	-	810,483,234,787	1,397	810,483,236,184	
Dividends declared (*)	-	-	-	(324,200,096,000)	-	(324,200,096,000)	
Ending balance	589,454,720,000	275,323,280,000	5,150,000,000	937,149,532,963	100,001,397	1,807,177,534,360	

(*) On 10 May 2022, Board of Directors has approved the plan of paying the remaining dividend of financial year 2021 at 40% of par value in accordance with Annual General Meeting Resolution No. 001/2022/NQ-DHDCD.IDP dated 7 April 2022. Accordingly, on 6 June 2022, the Board of Directors approved the payment schedule for the said dividends.

On 13 October 2022, Board of Directors has approved the plan of paying the dividend advance of financial year 2022 at 15% of par value in accordance with Annual General Meeting Resolution No. 001/2022/NQ-DHDCD.IDP dated 7 April 2022. Accordingly, on 4 November 2022, the Board of Directors approved the payment schedule for the said dividends.

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

18. OWNERS' EQUITY (continued)

18.2 Capital transactions with owners

	<i>Current year</i>	<i>Previous year</i>
		<i>VND</i>
<i>Issued share capital</i>		
At beginning and ending of year	589,454,720,000	589,454,720,000
<i>Dividends</i>		
Dividends for 2021: 4,000 VND/share (2020: 0 VND/share)	235,781,888,000	-
Advance dividends for 2022: 1,500 VND/share (2021: 5,000 VND/share)	<u>88,418,208,000</u>	<u>294,727,360,000</u>
Dividend and dividend advance pay during the year	<u>324,200,096,000</u>	<u>294,727,360,000</u>

18.3 Shares

	<u>Quantity of ordinary shares</u>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorized shares	58,945,472	58,945,472
Issued shares	58,945,472	58,945,472
Shares in circulation	58,945,472	58,945,472

Par value of outstanding share: VND 10,000. (31 December 2021: VND 10,000)

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

19. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	<i>Current year</i>	<i>Previous year</i>
Net profit attributable to the Group's shareholders (VND) (*)	<u>810,483,234,787</u>	<u>822,810,327,066</u>
Net profit after tax attributable to ordinary shares (VND)	810,483,234,787	822,810,327,066
Weighted average number of ordinary shares (shares)	58,945,472	58,945,472
Basic earnings per share (VND)	13,750	13,959
Diluted earnings per share (VND)	13,750	13,959

(*) Net profit used to compute earnings per share for the year ended 31 December 2022 was not adjusted for distribution to Bonus and welfare funds from 2022 profit as the Shareholders Meeting's Resolution is not yet available.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

20. REVENUES

20.1 Revenue from sale of goods

	<i>Current year</i>	<i>Previous year</i>
Gross revenue	6,175,732,154,199	4,902,888,220,187
<i>In which:</i>		
<i>Sale of finished goods</i>	6,171,567,757,366	4,896,260,844,183
<i>Sale of merchandise</i>	3,660,448,919	5,780,960,368
<i>Others</i>	503,947,914	846,415,636
Less	(89,272,144,305)	(75,802,806,498)
<i>Trade discounts</i>	(89,183,974,386)	(75,462,413,862)
<i>Sales returns</i>	(88,169,919)	(340,392,636)
Net revenue	<u>6,086,460,009,894</u>	<u>4,827,085,413,689</u>

20.2 Finance income

	<i>Current year</i>	<i>Previous year</i>
Interest income	82,467,757,832	56,623,603,007
Foreign exchange gains	15,054,838,510	10,851,481,850
Early payment discount	2,883,931,565	7,148,821,547
Others	1,000,080,271	-
TOTAL	<u>101,406,608,178</u>	<u>74,623,906,404</u>

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

21. COST OF GOODS SOLD

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of goods sold	3,719,021,427,903	2,738,751,912,959
Cost of merchandise	4,402,095,033	5,119,232,137
Others	29,107,641	150,161,924
TOTAL	<u>3,723,452,630,577</u>	<u>2,744,021,307,020</u>

22. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses	1,281,925,844,465	989,177,057,587
Marketing expenses	709,556,707,712	488,896,601,751
Labour cost	239,169,290,327	203,276,269,299
Transportation expense	167,135,700,902	118,767,554,571
Sale support	135,250,107,607	155,850,037,206
Others	30,814,037,917	22,386,594,760
General and administrative expenses	134,341,917,282	102,577,625,839
Labour cost	76,210,006,380	58,468,486,263
External services	29,196,002,715	20,183,477,545
Depreciation	6,252,480,591	4,586,335,056
Others	22,683,427,596	19,339,326,975
TOTAL	<u>1,416,267,761,747</u>	<u>1,091,754,683,426</u>

23. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange losses	29,284,790,662	7,719,359,496
Loan interest	27,574,506,558	19,765,095,933
Others	442,014,183	-
TOTAL	<u>57,301,311,403</u>	<u>27,484,455,429</u>

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24. PRODUCTION AND OPERATING COSTS

		VND
	<i>Current year</i>	<i>Previous year</i>
Raw materials	3,401,444,498,166	2,495,103,876,512
Marketing expenses	709,556,707,712	505,746,893,081
Labour costs	390,912,300,795	331,035,207,570
Expenses for external services	221,413,636,099	151,681,873,194
Sale support	135,250,107,607	138,999,745,876
Transportation expense	167,135,700,902	118,767,554,571
Depreciation and amortisation (Note 9 and 10)	148,720,276,233	123,846,479,714
Other expenses	12,078,087,259	6,878,882,211
TOTAL	<u>5,186,511,314,773</u>	<u>3,872,060,512,729</u>

25. CORPORATION INCOME TAX

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

The tax returns filed by the Group 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 consolidated financial statements could change at a later date upon final determination by the tax authorities.

25.1 CIT expense

		VND
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	215,006,467,697	218,800,368,222
Adjustment for under-accrual of CIT from prior periods	735,771,401	-
Deferred income tax	(36,160,542,818)	-
TOTAL	<u>179,581,696,280</u>	<u>218,800,368,222</u>

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

25. CORPORATION INCOME TAX (continued)

25.1 CIT expense (continued)

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

	VND	
	Current year	Previous year
Accounting profit before tax	990,064,932,464	1,041,610,695,288
At applicable CIT rate of 20%	198,012,986,493	208,322,139,058
<i>Adjustments:</i>		
Non-deductible expenses	2,898,261,868	2,118,659,942
Adjustment for under-accrual of CIT from prior periods	735,771,401	-
Adjust loss from wholly-owned subsidiary	7,203,196	-
Temporary difference unrecognized deferred tax assets	-	8,359,569,222
Temporary difference unrecognized deferred tax assets of previous year	(22,110,874,320)	-
Others	38,347,642	-
Current CIT expense	179,581,696,280	218,800,368,222

25.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted at consolidated balance sheet date.

25.3 Deferred tax

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

	VND			
	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Accrue expenses	32,880,300,160	-	32,880,300,160	-
Foreign exchange difference	2,796,984,040	-	2,796,984,040	-
Provision for inventory	483,258,618	-	483,258,618	-
Net deferred tax assets	36,160,542,818	-		
Net deferred tax credit to consolidated income statement			36,160,542,818	-

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

26. TRANSACTIONS WITH RELATED PARTIES

List of related parties as at 31 December 2022 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Blue Point Joint Stock Company	Shareholders
Viet Capital Securities Joint Stock Company	Shareholders
Mr To Hai	Chairman
Ms Dang Pham Minh Loan	Member the Board of Directors ("BOD") cum Chief Executive Officer
Mr Dinh Quang Hoan	Member of BOD
Ms Truong Nguyen Thien Kim	Member of BOD
Mr Doan Huu Nguyen	Member of BOD
Ms Hoang Ngoc Trieu Duong	Head of the Board of Supervision ("BOS")
Ms Ton Minh Phuong	Member of BOS
Mr Truong Ngoc Hoai Phuong	Member of BOS
Mr Pham Trong Bao Chau	Managing Director
Ms Chu Hai Yen	Deputy General Director
Mr Phan Van thang	Chief Accountant

Significant transactions with related parties during current year and previous year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Blue Point Joint Stock Company	Shareholders	Lending	<u>-</u>	<u>23,790,980,000</u>

Amounts due to and due from related parties at the consolidated balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
<i>Other short-term receivables</i>				
Individual	Member of Management	Advance	<u>3,248,801,289</u>	<u>4,781,654,423</u>

Transactions with other related parties

Remuneration to members of the Board of Directors, Board of Supervision and management during the year was as follows:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salary and bonus	<u>8,908,614,000</u>	<u>7,566,640,123</u>

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

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Bonus and welfare fund

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bonus and welfare fund	<u>5,150,000,000</u>	<u>5,150,000,000</u>

27. OPERATING LEASE COMMITMENTS

The Group entered into operating lease for its warehouses in Ho Chi Minh and Hanoi city. As at the consolidated balance sheet date, the minimum lease commitment under such operating lease arrangement is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	4,795,611,210	7,741,328,510
From 1 to 5 years	9,419,252,084	13,409,352,388
More than 5 years	<u>37,485,323,707</u>	<u>39,043,296,653</u>
TOTAL	<u>51,700,187,001</u>	<u>60,193,977,551</u>

28. OFF CONSOLIDATED BALANCE SHEET ITEM

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
– United States dollar (USD)	47,486	33,376

29. IMPORTANT EVENT IN THE YEAR

On 7 April 2022, Shareholders at Annual General Meeting approved the Resolution 001/2022/NQ-DHDCD.IDP regarding to the issuance of 1,179,528 ordinary shares to employees under ESOP with the price of VND 10,000/share. As at the date of these consolidated financial statements, these shares issuances were not yet completed.

30. EVENT AFTER THE CONSOLIDATED BALANCE SHEET DATE

There have been no significant events occurring after the consolidated balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements of the Group.



Phan Van Thang
Preparer/ Chief Accountant



Dang Pham Minh Loan
General Director

16 March 2023