

# **Garmex Saigon Corporation**

Consolidated financial statements

For the year ended 31 December 2022



# Garmex Saigon Corporation

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# Garmex Saigon Corporation

## GENERAL INFORMATION

### THE COMPANY

Garmex Saigon Corporation ("the Company") is a joint stock company established by the equitization of a State-owned enterprise - Saigon Garment Manufacturing - Export Import Company according to the Decision No. 1663/QD-UB on 5 May 2003 issued by Chairman of Ho Chi Minh City People's Committee. The Company is currently operating pursuant to the Enterprise Registration Certificate ("ERC") No. 0300742387 issued by the Department of Planning and Investment of Ho Chi Minh City dated 7 January 2004, as amended.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the Decision No. 101/UBCK-GPNY issued by the Chairman of the State Securities Commission of Vietnam on 6 December 2006.

The current principal activities of the Company are to manufacture and process garment products, kinds of ready-made garments and fabric cabinets.

The Company's registered head office is located at No. 252 Nguyen Van Luong Street, Ward 17, Go Vap District, Ho Chi Minh City, Vietnam and three (3) branches are:

- ▶ Binh Tien Garment Factory located at No. 55E Minh Phung Street, Ward 5, District 6, Ho Chi Minh City;
- ▶ An Phu Garment Factory located at No. 14/5 Hamlet Chanh 2, Tan Xuan Commune, Hoc Mon District, Ho Chi Minh City; and
- ▶ An Nhon Garment Factory located at No. 252 Nguyen Van Luong Street, Ward 17, Go Vap District, Ho Chi Minh City.

### BOARD OF DIRECTORS

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

Mr Nguyen Viet Cuong	Chairman	appointed on 24 November 2022
Mr Bui Tuan Ngoc	Chairman	resigned on 24 November 2022
Mr Bui Minh Tuan	Member	
Mr Le Van Hung	Member	
Mr Nguyen The Hieu	Member	appointed on 24 November 2022
Mr Tran Nguyen Anh Minh	Member	appointed on 24 November 2022
Mr Le Hung	Member	resigned on 24 November 2022

### BOARD OF SUPERVISION

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

Ms Phan Thi Phuong	Head
Ms Le Thi Chin	Member
Mr Tu Vi Tri	Member

# Garmex Saigon Corporation

## GENERAL INFORMATION (continued)

### MANAGEMENT

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

Ms Nguyen Minh Hang	General Director cum Finance Director	appointed on 26 September 2022
Mr Le Hung	Deputy General Director	resigned on 26 September 2022
Ms Nguyen Thi Thu Ha	General Director	resigned on 26 September 2022
	Deputy General Director	resigned on 3 October 2022

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms Nguyen Minh Hang.

### AUDITORS

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

# Garmex Saigon Corporation

## REPORT OF MANAGEMENT

Management of Garmex Saigon Corporation (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as “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 judgments 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.

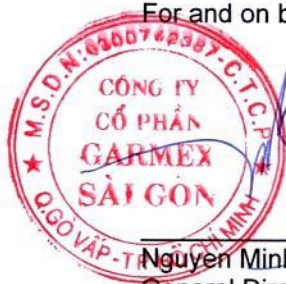
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding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

For and on behalf of management:



Nguyễn Minh Hằng  
General Director

Ho Chi Minh City, Vietnam

31 March 2023

Reference: 61192495/22987023-HN

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Garmex Saigon Corporation**

We have audited the accompanying consolidated financial statements of Garmex Saigon Corporation ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 31 March 2023 and set out on pages 6 to 39, which comprise the consolidated balance sheet as at 31 December 2022, 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 the preparation and presentation of the consolidated financial statements, and for such internal control as the 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 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 the 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**



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Nguyen Thi Nhu Quynh  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 3040-2019-004-1

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Ngo Tran Quang  
Auditor  
Audit Practicing Registration Certificate  
No. 5629-2020-004-1

Ho Chi Minh City, Vietnam

31 March 2023

CONSOLIDATED BALANCE SHEET  
as at 31 December 2022

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>328,335,193,012</b>	<b>618,952,687,574</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>206,058,477,381</b>	<b>334,317,176,801</b>
111	1. Cash		206,058,477,381	334,317,176,801
<b>130</b>	<b>II. Current accounts receivable</b>		<b>19,842,392,317</b>	<b>197,205,702,164</b>
131	1. Short-term trade receivables	5	11,006,525,286	189,970,476,289
132	2. Short-term advances to suppliers	6	11,495,252,334	11,168,554,956
136	3. Other short-term receivables	7	1,868,162,400	449,708,716
137	4. Provision for doubtful short-term receivables	5	(4,527,547,703)	(4,383,037,797)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>90,604,780,476</b>	<b>66,617,668,169</b>
141	1. Inventories		126,397,657,815	66,861,272,827
149	2. Provision for obsolete inventories		(35,792,877,339)	(243,604,658)
<b>150</b>	<b>IV. Other current assets</b>		<b>11,829,542,838</b>	<b>20,812,140,440</b>
151	1. Short-term prepaid expenses	9	1,021,409,447	1,583,375,012
152	2. Value-added tax deductible	16	9,291,806,616	15,845,535,012
153	3. Tax and other receivables from the State	16	1,516,326,775	3,383,230,416
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>207,057,015,381</b>	<b>208,429,427,271</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>139,991,902,139</b>	<b>150,867,505,815</b>
221	1. Tangible fixed assets	10	139,061,061,508	149,617,511,331
222	Cost		410,025,698,129	399,303,285,722
223	Accumulated depreciation		(270,964,636,621)	(249,685,774,391)
227	2. Intangible assets	11	930,840,631	1,249,994,484
228	Cost		6,889,371,205	7,883,108,725
229	Accumulated amortisation		(5,958,530,574)	(6,633,114,241)
<b>240</b>	<b>II. Long-term asset in progress</b>		<b>32,507,811,555</b>	<b>19,635,362,177</b>
242	1. Construction in progress	12	32,507,811,555	19,635,362,177
<b>250</b>	<b>III. Long-term investments</b>		<b>15,252,770,891</b>	<b>14,505,047,291</b>
252	1. Investment in an associate	13.1	2,069,412,291	2,069,412,291
253	2. Investments in other entities	13.2	15,395,180,000	15,395,180,000
254	3. Provision for long-term investments	13.2	(2,211,821,400)	(2,959,545,000)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>19,304,530,796</b>	<b>23,421,511,988</b>
261	1. Long-term prepaid expenses	9	19,304,530,796	23,421,511,988
<b>270</b>	<b>TOTAL ASSETS</b>		<b>535,392,208,393</b>	<b>827,382,114,845</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022

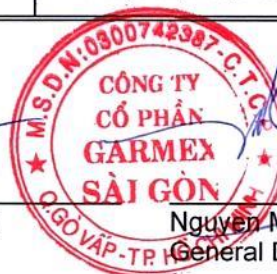
VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>87,346,313,734</b>	<b>124,745,488,578</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>73,140,671,877</b>	<b>107,623,644,738</b>
311	1. Short-term trade payables	14	5,173,743,334	17,867,114,569
312	2. Short-term advances from customers	15	93,407,420	5,006,176,025
313	3. Statutory obligations	16	703,440,418	10,814,492,631
314	4. Payables to employees		15,566,420,148	63,313,555,946
315	5. Short-term accrued expenses	17	1,498,986,467	6,257,093,665
319	6. Other short-term payables	18	1,661,089,890	3,574,460,426
320	7. Short-term loans	19	28,889,717,151	-
321	8. Short-term provision	21	18,988,791,375	-
322	9. Bonus and welfare fund	20	565,075,674	790,751,476
<b>330</b>	<b>II. Non-current liabilities</b>		<b>14,205,641,857</b>	<b>17,121,843,840</b>
341	1. Deferred tax liabilities	29.3	7,598,571,624	8,598,282,087
342	2. Long-term provision	21	6,607,070,233	8,523,561,753
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>448,045,894,659</b>	<b>702,636,626,267</b>
<b>410</b>	<b>I. Capital</b>	<b>22.1</b>	<b>448,045,894,659</b>	<b>702,636,626,267</b>
411	1. Share capital		330,002,590,000	330,002,590,000
411a	- Shares with voting rights		330,002,590,000	330,002,590,000
412	2. Share premium		72,687,827,370	72,687,827,370
415	3. Treasury shares		(863,138,686)	(863,138,686)
417	4. Foreign exchange differences reserve		(2,179,986,185)	(469,468,616)
418	5. Investment and development fund		67,859,802,989	67,859,802,989
421	6. (Accumulated losses) undistributed earnings		(19,461,200,829)	233,123,221,311
421a	- Undistributed earnings by the end of prior year		65,240,676,682	189,531,803,007
421b	- (Losses) undistributed earnings of the current year		(84,701,877,511)	43,591,418,304
429	7. Non-controlling interests		-	295,791,899
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>535,392,208,393</b>	<b>827,382,114,845</b>

Tran Thi Thu Tram  
Preparer

Tran Thi My Hanh  
Chief Accountant

Nguyen Minh Hang  
General Director




Ho Chi Minh City, Vietnam

31 March 2023


CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenues from sale of goods and rendering of services	23.1	292,176,218,727	1,064,772,325,677
11	2. Cost of goods sold and services rendered	24	295,515,151,674	897,680,445,705
20	3. Gross (loss) profit from sale of goods and rendering of services		(3,338,932,947)	167,091,879,972
21	4. Finance income	23.2	41,053,387,644	17,197,875,339
22	5. Finance expenses	25	23,063,401,545	21,570,665,250
23	<i>In which: Interest expense</i>		-	3,398,903,219
25	6. Selling expenses	26	357,991,160	7,958,288,741
26	7. General and administrative expenses	26	108,482,178,677	103,970,588,212
30	8. Operating (loss) profit		(94,189,116,685)	50,790,213,108
31	9. Other income	27	9,241,884,793	4,641,088,639
32	10. Other expenses		532,451,483	276,156,091
40	11. Other profit		8,709,433,310	4,364,932,548
50	12. Accounting (loss) profit before tax		(85,479,683,375)	55,155,145,656
51	13. Current corporate income tax expense	29.1	221,904,599	10,320,040,779
52	14. Deferred tax (income) expense	29.3	(999,710,463)	1,243,686,573
60	15. Net (loss) profit after tax		(84,701,877,511)	43,591,418,304
61	16. Net (loss) profit after tax attributable to shareholders of the parent		(84,701,877,511)	43,591,418,304
62	17. Net profit after tax attributable to non-controlling interests	22.1	-	-
70	18. Basic earnings per share	22.5	(2,571)	1,228
71	19. Diluted earnings per share	22.5	(2,571)	1,228

  
Tran Thi Thu Tram  
Preparer

  
Tran Thi My Hanh  
Chief Accountant

  
Nguyen Minh Hang  
General Director



Ho Chi Minh City, Vietnam

31 March 2023

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2022

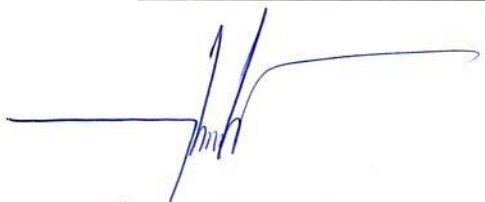
VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting (loss) profit before tax</b>		<b>(85,479,683,375)</b>	<b>55,155,145,656</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization of fixed assets	10, 11	23,983,328,133	27,275,655,344
03	Provision (reversal of provision)		52,018,358,842	(3,739,543,567)
04	Foreign exchange (gains) losses arisen from revaluation of monetary accounts denominated in foreign currencies		(7,046,012,048)	2,785,659,779
05	Profits from investing activities		(46,595,736)	(627,673,113)
06	Interest expense	25	-	3,398,903,219
<b>08</b>	<b>Operating (loss) profit before changes in working capital</b>		<b>(16,570,604,184)</b>	<b>84,248,147,318</b>
09	Decrease (increase) in receivables		187,363,534,541	(32,678,759,146)
10	(Increase) decrease in inventories		(59,536,384,988)	179,192,193,676
11	Decrease in payables		(74,536,422,612)	(72,287,678,214)
12	Decrease (increase) in prepaid expenses		4,678,946,757	(465,018,784)
14	Interest paid		-	(3,476,185,487)
15	Corporate income tax paid		(8,732,131,024)	(6,688,179,524)
17	Other cash outflows for operating activities		(3,353,225,431)	(606,563,051)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>29,313,713,059</b>	<b>147,237,956,788</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(27,279,265,330)	(31,052,044,710)
22	Proceeds from disposals of fixed assets		76,739,802	499,356,214
26	Payment from de-investment in a subsidiary		(293,220,849)	-
27	Interest and dividends received		364,423,248	128,316,899
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(27,131,323,129)</b>	<b>(30,424,371,597)</b>

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

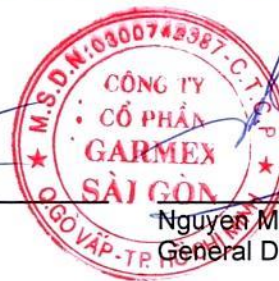
VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	19	28,889,717,151	351,081,721,634
34	Repayment of borrowings	19	-	(715,499,640,540)
36	Dividends paid	22.3	(164,737,530,000)	-
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(135,847,812,849)</b>	<b>(364,417,918,906)</b>
<b>50</b>	<b>Net decrease in cash for the year</b>		<b>(133,665,422,919)</b>	<b>(247,604,333,715)</b>
<b>60</b>	<b>Cash at beginning of year</b>		<b>334,317,176,801</b>	<b>583,690,750,066</b>
61	Impact of exchange rate fluctuation		5,406,723,499	(1,769,239,550)
<b>70</b>	<b>Cash at end of year</b>	<b>4</b>	<b>206,058,477,381</b>	<b>334,317,176,801</b>

  
Tran Thi Thu Tram  
Preparer

  
Tran Thi My Hanh  
Chief Accountant

  
Nguyen Minh Hang  
General Director



Ho Chi Minh City, Vietnam

31 March 2023

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

## 1. CORPORATE INFORMATION

Garmex Saigon Corporation ("the Company") is a joint stock company established by the equitization of a State-owned enterprise - Saigon Garment Manufacturing - Export Import Company according to the Decision No. 1663/QD-UB on 5 May 2003 issued by Chairman of Ho Chi Minh City People's Committee. The Company is currently operating pursuant to the Enterprise Registration Certificate ("ERC") No. 0300742387 issued by the Department of Planning and Investment of Ho Chi Minh City dated 7 January 2004, as amended.

The Company's shares were listed on the Ho Chi Minh Stock Exchange in accordance with the Decision No. 101/UBCK-GPNY issued by the Chairman of the State Securities Commission of Vietnam on 6 December 2006.

The current principal activities of the Company and its subsidiaries ("the Group") are to manufacture and process garment products, kinds of ready-made garments and fabric cabinets.

The Company's registered head office is located at No. 252 Nguyen Van Luong Street, Ward 17, Go Vap District, Ho Chi Minh City, Vietnam and three (3) branches are:

- ▶ Binh Tien Garment Factory located at No. 55E Minh Phung Street, Ward 5, District 6, Ho Chi Minh City;
- ▶ An Phu Garment Factory located at No. 14/5 Hamlet Chanh 2, Tan Xuan Commune, Hoc Mon District, Ho Chi Minh City; and
- ▶ An Nhon Garment Factory located at No. 252 Nguyen Van Luong Street, Ward 17, Go Vap District, Ho Chi Minh City.

The number of the Group's employees as at 31 December 2022 was 1,982 (31 December 2021: 3,810) and as at date of consolidated financial statements was 185.

### Corporate structure

The Company's corporate structure includes two (2) direct subsidiaries and an (1) indirect subsidiary, in which:

Name of subsidiaries	Location	Business activities	% Voting	
			31 December 2022 (%)	31 December 2021 (%)
(1) Garmex Quangnam Company Limited	Ho Chi Minh City, Vietnam	Garment, fabric cabinets	100	100
(2) Tan My Garment Co., Ltd	Ba Ria - Vung Tau Province, Vietnam	Garment, fabric cabinets	100	100
(3) Sai Gon Tuong Long Co., Ltd (*)	Binh Duong Province, Vietnam	Garment	0	51
(4) Blue Saigon LLC (**)	United States	Trading of garment products	100	100

(\*) In according to Resolution No. 34/NQ-HĐQT/2020 dated on 20 July 2020, the Company's Board of Directors approved the de-investment of its subsidiary – Sai Gon Tuong Long Company Limited. On 23 March 2022, the Company has completely de-invested this subsidiary for a consideration of VND 207,021,925. Accordingly, the loss resulted from this transaction of VND 31,455,358 was recognized as finance expense in the Group's consolidated financial statement.

(\*\*) Blue Saigon LLC was in restructuring process and temporarily stopped operations from 31 December 2019.

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

## **2. BASIS OF PREPARATION**

### **2.1 *Applied accounting standards and system***

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and other 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, including their utilization 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 Company's accounting currency.

### **2.5 *Basis of consolidation***

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

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

All intra-company balances, income and expenses and unrealized 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

## 2. BASIS OF PREPARATION (continued)

### 2.6 *Going concern assumption*

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries, the Group incurred a net loss of VND 84,701,877,511 for the year ended 31 December 2022 and as of that date, the Group's accumulated losses of VND 19,461,200,829.

As at the date of consolidated financial statements, the Company's management prepared cash flow projection and profit plan for the next 12 months that enables the Group to meet its current liabilities as and when their obligations fall due, and to continue operations in the following years. On this basis, the management considers it is appropriate to prepare the consolidated financial statements on the going concern basis. Accordingly, the consolidated financial statements do not include any adjustments to assets and liabilities that may be necessary if the Group is unable to continue as a going concern.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash*

Cash comprise cash on hand, cash in banks.

### 3.2 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable 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, tools and supplies, consumables and goods for resale. | - | 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 (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, 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 in the consolidated income statement.

### 3.3 *Receivables*

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

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded into general and administrative expenses 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)

#### 3.4 *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 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 consolidated income statement.

#### 3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortization.

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.

#### 3.6 *Depreciation and amortization*

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

Buildings and structures	5 - 50 years
Machinery and equipment	3 - 8 years
Means of transportation	3 - 10 years
Office equipment	3 - 8 years
Computer software	4 - 8 years

#### 3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of the fund 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 amortized over the period for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

##### *Prepaid land rental*

Prepaid land rental represents the unamortised balance of advanced payment made in accordance with lease contracts for a period from 43 to 50 years. Such prepaid rental is recognized 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.

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)

#### 3.9 *Investments*

##### *Investments in an associate*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend, profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *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 and decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

#### 3.10 *Construction in progress*

Construction in progress represents fixed assets under construction and is stated at 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.

#### 3.11 *Payables and accruals*

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

#### 3.12 *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. Any increase to the accrued amount will be taken to the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Retrenchment allowance*

Retrenchment allowance is provided at the rate of one month's salary for each working year up to 31 December 2008 and the minimum amount for each employee is two months' salary in accordance with the Labour Code and related implementing guidance. Increases or decreases to the provision balance other than actual payment to employee are recorded as general and administrative expense in the separate income statement.

This provision is used to settle the retrenchment allowance to be paid to employee upon termination of their labour contract following Article 47 of the Labour Code.

#### 3.14 *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:

- 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 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 date 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 foreign exchange differences incurred are taken to the consolidated income statement.

##### *Conversion of the financial statements of a foreign operation*

Conversion of the financial statements of a subsidiary of the Group which maintains its accounting records in other currency rather than the Group's accounting currency of VND, for consolidation purpose, is as follows:

- Assets and liabilities are converted into VND by using the buying and selling exchange rates, respectively, as announced by the commercial banks where the Group frequently conducts its transactions at the balance sheet date;
- Revenues, other income and expenses are converted into VND by using the actual transactional exchange rates; or the average exchange rates if the average exchange rates do not exceed +/- 2% the transactional exchange rates; and
- All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences reserve" on the consolidated balance sheet and charged to the consolidated income statement upon the disposal of the investment.

#### 3.15 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

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)

#### 3.16 Appropriation of net profit

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

Dividends proposed by the Company's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the consolidated balance sheet. These dividends are recognized as a liability in the consolidated balance sheet when have been approved by the Company's shareholders at the Annual General Meeting.

The Group maintains the following reserve funds which are appropriated from the Group's net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting:

##### *Investment and development fund*

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

##### *Bonus and welfare fund*

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

#### 3.17 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 recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Revenue is recognized when services are rendered and completed.

##### *Interest*

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Dividends*

Income is recognized when the Group's entitlement as an investor to receive the dividend is established.

##### *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

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)

#### 3.18 Taxation

##### *Current income tax*

Current income tax assets and liabilities for 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 balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized 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.

##### *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 purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 deferred tax asset to be utilised. Previously unrecognized 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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.

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)

#### 3.18 *Taxation* (continued)

##### *Deferred tax* (continued)

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case it is also dealt with in the 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 to either settle current tax liabilities and assets on a net basis or to realize 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.

#### 3.19 *Earnings per share*

Basic earnings per share is computed 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 Group 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 potential dilutive ordinary shares into ordinary shares.

#### 3.20 *Segment information*

A segment is a component determined separately by the Group 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.

The Group's current principal activities are manufacturing garment products and kinds of ready-made garments. In addition, these activities are mainly taking place within Vietnam except for Blue Saigon LLC which is operating in the United States. However, its financial position and results of its operation were immaterial to the consolidated financial position of the Group and the consolidated results of its operations. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is trading or the locations where the Group is operating. As a result, management is of the view that there is only one segment for business in garment industry and geography in Vietnam and therefore presentation of segmental information is not required.

#### 3.21 *Related parties*

Parties are considered to be related parties of the Company if one party has the ability to control, directly or indirectly, 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 their close family members.

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

4. CASH

	VND	
	Ending balance	Beginning balance
Cash on hand	275,083,176	128,694,745
Cash in banks	205,783,394,205	334,188,482,056
<b>TOTAL</b>	<b><u>206,058,477,381</u></b>	<b><u>334,317,176,801</u></b>

5. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Trade receivables from other parties	11,006,525,286	71,266,190,471
- Blue Way One Member Co., Ltd	3,444,650,280	-
- Topo Designs	3,086,954,969	3,534,726,599
- Coconut Tree Garment Co., Ltd	2,715,064,920	-
- Promiles S.N.C	-	57,559,366,600
- Others	1,759,855,117	10,172,097,272
Trade receivables from a related party (Note 30)	-	118,704,285,818
<b>TOTAL</b>	<b><u>11,006,525,286</u></b>	<b><u>189,970,476,289</u></b>
Provision for doubtful short-term receivables	(4,527,547,703)	(4,383,037,797)
<b>NET</b>	<b><u>6,478,977,583</u></b>	<b><u>185,587,438,492</u></b>

Details of movements of provision for doubtful short-term receivables are as follows:

	VND	
	Current year	Previous year
Beginning balance	4,383,037,797	848,311,198
Add: Provision made during the year	144,509,906	4,378,406,829
Less: Utilisation and reversal of provision during the year	-	(843,680,230)
Ending balance	<u>4,527,547,703</u>	<u>4,383,037,797</u>

Details of bad debts were as follows:

	VND					
	31 December 2022			31 December 2021		
	Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
Topo Designs	3,654,944,776	(3,654,944,776)	-	3,534,726,599	(3,534,726,599)	-
Others	872,602,927	(872,602,927)	-	848,311,198	(848,311,198)	-
<b>TOTAL</b>	<b><u>4,527,547,703</u></b>	<b><u>(4,527,547,703)</u></b>	<b><u>-</u></b>	<b><u>4,383,037,797</u></b>	<b><u>(4,383,037,797)</u></b>	<b><u>-</u></b>

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

#### 6. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
United People Construction Design JSC	6,727,634,129	226,187,720
4/10 Fire Protection Equipment Center	1,768,852,080	1,721,003,340
Hung Thao Trading Co., Ltd	1,502,007,800	-
Lac Viet Computing Corporation	741,727,000	741,727,000
Huy Thuoc Construction Company	-	5,888,953,476
Others	755,031,325	2,590,683,420
<b>TOTAL</b>	<b><u>11,495,252,334</u></b>	<b><u>11,168,554,956</u></b>

#### 7. SHORT-TERM OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Employee advances	1,868,162,400	155,767,386
Others	-	293,941,330
<b>TOTAL</b>	<b><u>1,868,162,400</u></b>	<b><u>449,708,716</u></b>

#### 8. INVENTORIES

	VND			
	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Finished goods (*)	102,800,502,753	(14,848,427,294)	30,146,805,882	(52,321,116)
Raw materials	21,784,648,467	(20,944,450,045)	35,165,488,720	(191,283,542)
Tools and supplies	1,094,712,635	-	1,426,530,766	-
Work in process	717,793,960	-	115,247,459	-
Merchandise goods	-	-	7,200,000	-
<b>TOTAL</b>	<b><u>126,397,657,815</u></b>	<b><u>(35,792,877,339)</u></b>	<b><u>66,861,272,827</u></b>	<b><u>(243,604,658)</u></b>

(\*) Included in the balance of finished goods is the processing cost that the Group has performed the processing services for a customer. However, during the quality inspection and evaluation process, the Group identified quality problems therefore the management decided to remedy the impaired products due to storage conditions to ensure the quality of processing as committed in the processing contract.

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

8. **INVENTORIES** (continued)

*Movements of provision for obsolete inventories:*

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	243,604,658	7,008,555,735
Add: Provision made during the year	35,553,228,528	-
Less: Utilisation and reversal of provision during the year	<u>(3,955,847)</u>	<u>(6,764,951,077)</u>
Ending balance	<u>35,792,877,339</u>	<u>243,604,658</u>

9. **PREPAID EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>1,021,409,447</b>	<b>1,583,375,012</b>
Tools and supplies	311,547,076	619,750,176
Others	709,862,371	963,624,836
<b>Long-term</b>	<b>19,304,530,796</b>	<b>23,421,511,988</b>
Prepaid land rental	13,243,819,950	13,616,780,153
Tools and supplies	3,831,530,541	6,258,226,234
Machine and equipment	1,995,469,739	3,501,931,327
Others	<u>233,710,566</u>	<u>44,574,274</u>
<b>TOTAL</b>	<b><u>20,325,940,243</u></b>	<b><u>25,004,887,000</u></b>

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

## 10. TANGIBLE FIXED ASSETS

	VND				
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost</b>					
Beginning balance	191,749,736,076	173,488,513,127	16,266,999,045	17,798,037,474	399,303,285,722
Newly purchases	2,823,634,564	3,805,542,287	926,000,000	2,677,107,400	10,232,284,251
Transfer from construction in progress	3,304,566,140	-	-	-	3,304,566,140
Disposals	(462,642,506)	(117,465,000)	-	(1,746,252,912)	(2,326,360,418)
Write-off	(120,790,273)	-	-	(288,521,553)	(409,311,826)
Decrease due to subsidiary de-investment	(85,000,000)	-	-	-	(85,000,000)
Others	-	-	-	6,234,260	6,234,260
Ending balance	<u>197,209,504,001</u>	<u>177,176,590,414</u>	<u>17,192,999,045</u>	<u>18,446,604,669</u>	<u>410,025,698,129</u>
<i>In which:</i>					
<i>Fully depreciated</i>	41,152,167,314	113,606,965,103	10,225,036,317	11,008,603,268	175,992,772,002
<b>Accumulated depreciation</b>					
Beginning balance	84,367,088,750	137,992,599,907	12,664,089,056	14,661,996,678	249,685,774,391
Depreciation for the year	7,312,504,880	13,031,002,677	1,318,523,604	2,002,143,119	23,664,174,280
Disposals	(234,514,354)	(117,465,000)	-	(1,906,681,574)	(2,258,660,928)
Write-off	(81,387,148)	-	-	-	(81,387,148)
Decrease due to subsidiary de-investment	(51,096,319)	-	-	-	(51,096,319)
Others	-	-	-	5,832,345	5,832,345
Ending balance	<u>91,312,595,809</u>	<u>150,906,137,584</u>	<u>13,982,612,660</u>	<u>14,763,290,568</u>	<u>270,964,636,621</u>
<b>Net carrying amount</b>					
Beginning balance	<u>107,382,647,326</u>	<u>35,495,913,220</u>	<u>3,602,909,989</u>	<u>3,136,040,796</u>	<u>149,617,511,331</u>
Ending balance	<u>105,896,908,192</u>	<u>26,270,452,830</u>	<u>3,210,386,385</u>	<u>3,683,314,101</u>	<u>139,061,061,508</u>

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

**11. INTANGIBLE ASSETS**

	VND
	<i>Computer software</i>
<b>Cost</b>	
Beginning balance	7,883,108,725
Write-off	(1,015,684,020)
Others	21,946,500
Ending balance	<u>6,889,371,205</u>
<i>In which:</i>	
<i>Fully amortised</i>	5,422,667,865
<b>Accumulated amortization</b>	
Beginning balance	6,633,114,241
Amortization for the year	319,153,853
Write-off	(1,015,684,020)
Others	21,946,500
Ending balance	<u>5,958,530,574</u>
<b>Net carrying amount</b>	
Beginning balance	<u>1,249,994,484</u>
Ending balance	<u>930,840,631</u>

**12. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction cost at 213 Hong Bang	20,623,229,555	5,266,928,477
Land cost at 213 Hong Bang (*)	10,020,000,000	10,020,000,000
Land cost for workers housing project at Hac Dich Industry Zone (**)	1,830,600,000	1,843,383,000
Others	33,982,000	2,505,050,700
<b>TOTAL</b>	<u>32,507,811,555</u>	<u>19,635,362,177</u>

(\*) This represented the amount that the Company has paid to State's budget to receive land use right at No. 213 Hong Bang Street, Ward 11, District 5, Ho Chi Minh City. The Company is waiting for the specific guidance from relevant bodies.

(\*\*) This represented the amount that the Company has paid to Phu My Corporation to rent two (2) land plots No. 479 and No. 450 located at Group 8, Trang Cat Hamlet, Hac Dich Commune, Tan Thanh District, Ba Ria - Vung Tau Province to build houses for workers.

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

### 13. LONG-TERM INVESTMENTS

	VND			
	<u>Ending balance</u>		<u>Beginning balance</u>	
	Cost	Provision	Cost	Provision
Investment in an associate (Note 13.1)	2,069,412,291	-	2,069,412,291	-
Investment in other entities (Note 13.2)	15,395,180,000	(2,211,821,400)	15,395,180,000	(2,959,545,000)
<b>TOTAL</b>	<b><u>17,464,592,291</u></b>	<b><u>(2,211,821,400)</u></b>	<b><u>17,464,592,291</u></b>	<b><u>(2,959,545,000)</u></b>

#### 13.1 Investment in an associate

Name	Business activities	<u>Ending balance</u>		<u>Beginning balance</u>	
		Ownership	Amount	Ownership	Amount
		%	VND	%	VND
Phu My Corporation	Industrial cluster management	<u>32.67</u>	<u>2,069,412,291</u>	<u>32.67</u>	<u>2,069,412,291</u>

Details of this investment in an associate which were consolidated by applying equity method are presented as follows:

	VND
	<i>Phu My Corporation</i>
<b>Cost of investment:</b>	
Beginning and ending balances	<u>4,341,000,000</u>
<b>Accumulated share in post-acquisition loss of the associate:</b>	
Beginning balance	(2,271,587,709)
Share in post-acquisition loss of the associate	<u>-</u>
Ending balance	<u>(2,271,587,709)</u>
<b>Carrying amount:</b>	
Beginning balance	<u>2,069,412,291</u>
Ending balance	<u>2,069,412,291</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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13. LONG-TERM INVESTMENTS (continued)

13.2 Investment in other entities

Name of entity	Ending balance			Beginning balance		
	Number of shares	Cost of investment VND	Provision VND	Number of shares	Cost of investment VND	Provision VND
Gia Dinh Development Corporation	843,950	10,127,400,000	-	843,950	10,127,400,000	-
Viet A Joint Stock Commercial Bank	207,701	3,998,050,000	(2,211,821,400)	207,701	3,998,050,000	(2,959,545,000)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	32,239	1,269,730,000	-	25,266	1,269,730,000	-
<b>TOTAL</b>		<b><u>15,395,180,000</u></b>	<b><u>(2,211,821,400)</u></b>		<b><u>15,395,180,000</u></b>	<b><u>(2,959,545,000)</u></b>

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

**14. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to other parties	5,107,581,859	17,714,924,367
- Long Hoang Security Service JSC	261,360,000	-
- Thanh Ha Food Trading Co., Ltd	122,730,288	-
- N.I.Teijin Shoji	-	4,819,263,256
- Phuc Cuong An Trade and Services Co., Ltd	-	2,110,639,548
- Others	4,723,491,571	10,785,021,563
Due to related parties (Note 30)	66,161,475	152,190,202
<b>TOTAL</b>	<b><u>5,173,743,334</u></b>	<b><u>17,867,114,569</u></b>

**15. SHORT-TERM ADVANCES FROM CUSTOMERS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Game Guard	-	3,305,294,346
New Wave Group SA	-	778,754,215
Others	93,407,420	922,127,464
<b>TOTAL</b>	<b><u>93,407,420</u></b>	<b><u>5,006,176,025</u></b>

**16. STATUTORY OBLIGATIONS AND TAX RECEIVABLES**

	VND			
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
<b>Receivables</b>				
Value-added tax	15,845,535,012	14,848,014,702	(21,401,743,098)	9,291,806,616
Personal income tax	2,685,708,717	1,988,867,629	(4,304,226,061)	370,350,285
Import duties	690,391,605	299,817,642	(291,432,549)	698,776,698
Corporate income tax	7,130,094	543,149,916	(103,080,218)	447,199,792
Land fee	-	3,651,306,588	(3,651,306,588)	-
<b>TOTAL</b>	<b><u>19,228,765,428</u></b>	<b><u>21,331,156,477</u></b>	<b><u>(29,751,788,514)</u></b>	<b><u>10,808,133,391</u></b>
<b>Payables</b>				
Corporate income tax	8,070,156,727	118,824,381	(8,188,981,108)	-
Value-added tax	2,744,036,051	9,049,328,060	(11,761,123,543)	32,240,568
Personal income tax	-	744,620,958	(73,421,108)	671,199,850
Others	299,853	42,914,598	(43,214,451)	-
<b>TOTAL</b>	<b><u>10,814,492,631</u></b>	<b><u>9,955,687,997</u></b>	<b><u>(20,066,740,210)</u></b>	<b><u>703,440,418</u></b>

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

**17. SHORT-TERM ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Annual leave salary	918,382,497	5,393,419,792
Others	<u>580,603,970</u>	<u>863,673,873</u>
<b>TOTAL</b>	<b><u>1,498,986,467</u></b>	<b><u>6,257,093,665</u></b>

**18. OTHER SHORT-TERM PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade union fee and insurance	923,161,345	2,425,667,596
Others	<u>737,928,545</u>	<u>1,148,792,830</u>
<b>TOTAL</b>	<b><u>1,661,089,890</u></b>	<b><u>3,574,460,426</u></b>

**19. SHORT-TERM LOAN**

	VND			
	<i>Beginning balance</i>	<i>Drawdown in year</i>	<i>Payment in year</i>	<i>Ending balance</i>
Short term loan from bank	-	<u>28,889,717,151</u>	-	<u>28,889,717,151</u>

The Group obtained a short-term loan from a bank to finance for working capital requirements. Detail of the loan is as follow:

<i>Bank</i>	<i>Ending balance</i> (VND)	<i>Interest rate</i> % p.a	<i>Maturity date</i>	<i>Description of collateral</i>
Vietnam Bank For Social Policies	<u>28,889,717,151</u>	0%	11 January 2023	Unsecured

**20. BONUS AND WELFARE FUND**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	790,751,476	1,397,314,527
Utilization of fund	<u>(225,675,802)</u>	<u>(606,563,051)</u>
Ending balance	<b><u>565,075,674</u></b>	<b><u>790,751,476</u></b>

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

**21. PROVISION**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
<b>Short-term</b>	<b>18,988,791,375</b>	-
Retrenchment allowance ( <i>Note 3.13</i> )	18,988,791,375	-
<b>Long-term</b>	<b>6,607,070,233</b>	<b>8,523,561,753</b>
Severance allowance ( <i>Note 3.12</i> )	5,359,901,916	7,628,060,667
Annual leave salary	1,247,168,317	895,501,086
<b>TOTAL</b>	<b><u>25,595,861,608</u></b>	<b><u>8,523,561,753</u></b>

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

## 22. OWNERS' EQUITY

### 22.1 Increase and decrease in owners' equity

								VND
	Share capital	Share premium	Treasury shares	Investment and development fund	Foreign exchange differences reserve	Undistributed earnings (accumulated losses)	Non-controlling interests	Total
<b>Previous year</b>								
Beginning balance	300,052,800,000	72,687,827,370	(863,138,686)	67,859,802,989	(1,086,442,604)	219,481,593,007	295,791,899	658,428,233,975
Net profit for the year	-	-	-	-	-	43,591,418,304	-	43,591,418,304
Share dividends	29,949,790,000	-	-	-	-	(29,949,790,000)	-	-
Foreign exchange differences	-	-	-	-	616,973,988	-	-	616,973,988
Ending balance	<u>330,002,590,000</u>	<u>72,687,827,370</u>	<u>(863,138,686)</u>	<u>67,859,802,989</u>	<u>(469,468,616)</u>	<u>233,123,221,311</u>	<u>295,791,899</u>	<u>702,636,626,267</u>
<b>Current year</b>								
Beginning balance	330,002,590,000	72,687,827,370	(863,138,686)	67,859,802,989	(469,468,616)	233,123,221,311	295,791,899	702,636,626,267
Dividends declared (*)	-	-	-	-	-	(164,754,995,000)	-	(164,754,995,000)
Remuneration of Board of Directors and Board of Supervisors	-	-	-	-	-	(3,127,549,629)	-	(3,127,549,629)
Net loss for the year	-	-	-	-	-	(84,701,877,511)	-	(84,701,877,511)
Subsidiary de-investment (Note 1)	-	-	-	-	-	-	(295,791,899)	(295,791,899)
Foreign exchange differences	-	-	-	-	(1,710,517,569)	-	-	(1,710,517,569)
Ending balance	<u>330,002,590,000</u>	<u>72,687,827,370</u>	<u>(863,138,686)</u>	<u>67,859,802,989</u>	<u>(2,179,986,185)</u>	<u>(19,461,200,829)</u>	<u>-</u>	<u>448,045,894,659</u>

(\*) In accordance with the Resolution No. 01/NQ-ĐHĐCĐ/2022 dated 18 June 2022, Shareholders approved for the dividends of 2021 paid by cash at 50% par value to its existing shareholders amounting to VND 164,754,995,000 from undistributed earnings.

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

**22. OWNERS' EQUITY** (continued)

**22.2 Capital transactions with owners**

	<i>Current year</i>	<i>Previous year</i>
		VND
Beginning and ending balances	<u>330,002,590,000</u>	<u>330,002,590,000</u>

**22.3 Dividends**

	<i>Current year</i>	<i>Previous year</i>
		VND
<b>Declared during the year</b>	<b>164,754,995,000</b>	<b>29,949,790,000</b>
Share dividends	-	29,949,790,000
Dividends by cash	164,754,995,000	-
<b>Paid during the year</b>	<b>164,737,530,000</b>	<b>29,949,790,000</b>
Share dividends	-	29,949,790,000
Dividends paid by cash	164,737,530,000	-

**22.4 Shares**

	<i>Quantity</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorized shares	33,000,259	33,000,259
Issued and paid-up shares		
Ordinary shares	33,000,259	33,000,259
Treasury shares		
Ordinary shares	(49,260)	(49,260)
Shares in circulation		
Ordinary shares	32,950,999	32,950,999

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

## 22. OWNERS' EQUITY (continued)

### 22.5 Earnings per share

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

	<i>Current year</i>	<i>Previous year (restated)</i>
Net (loss) profit after tax attributable to ordinary shareholders (VND)	(84,701,877,511)	43,591,418,304
Distribution to bonus and welfare fund	-	(3,127,549,629)
Net (loss) profit after tax attributable to ordinary shareholders for basic earnings (VND) (*)	(84,701,877,511)	40,463,868,675
Weighted average number of ordinary shares	32,950,999	32,950,999
<b>Earnings per share (VND)</b>		
<i>Basic earnings per share</i>	(2,571)	1,228
<i>Diluted earnings per share</i>	(2,571)	1,228

(\*) Profit used to compute earnings per share for the year ended 31 December 2021 as presented in the financial statements was adjusted to reflect the actual allocation to bonus and welfare fund from undistributed earnings for the year 2021 following the Resolution of Shareholders No. 01/NQ-DHDCD/2022 dated 18 June 2022.

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

## 23. REVENUES

### 23.1 Net revenues from sale of goods and rendering of services

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Net revenue</b>		
Domestic revenue	242,858,915,960	358,632,457,512
Export revenue	49,317,302,767	706,139,868,165
	<b>292,176,218,727</b>	<b>1,064,772,325,677</b>
<i>In which:</i>		
<i>Net revenue from a related party (Note 30)</i>	224,109,489,320	346,521,477,764
<i>Net revenue from other parties</i>	68,066,729,407	718,250,847,913

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

**23. REVENUES** (continued)

**23.2 Finance income**

	VND	
	Current year	Previous year
Foreign exchange gains	40,688,964,396	17,062,811,607
Interest income	334,104,048	128,316,899
Others	30,319,200	6,746,833
<b>TOTAL</b>	<b><u>41,053,387,644</u></b>	<b><u>17,197,875,339</u></b>

**24. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	Current year	Previous year
Cost of goods sold and services rendered	259,961,923,146	897,689,387,084
Provision (reversal of provision) for obsolete inventories	35,553,228,528	(8,941,379)
<b>TOTAL</b>	<b><u>295,515,151,674</u></b>	<b><u>897,680,445,705</u></b>

**25. FINANCE EXPENSES**

	VND	
	Current year	Previous year
Foreign exchange losses	23,779,669,787	18,171,762,031
Reversal of provision for diminution in value of long-term investments	(747,723,600)	-
Loss from de-investment of a subsidiary (Note 1)	31,455,358	-
Interest expense	-	3,398,903,219
<b>TOTAL</b>	<b><u>23,063,401,545</u></b>	<b><u>21,570,665,250</u></b>

**26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	Current year	Previous year
<b>Selling expenses</b>	<b>357,991,160</b>	<b>7,958,288,741</b>
External services	357,991,160	7,957,288,741
Others	-	1,000,000
<b>General and administrative expenses</b>	<b>108,482,178,677</b>	<b>103,970,588,212</b>
Labour cost	66,790,353,548	73,377,422,026
Redundancy employee provision	20,163,892,912	-
External services	8,460,391,552	13,377,185,936
Depreciation and amortization	5,685,231,477	6,494,976,556
Tool and supplies	1,754,100,541	2,035,837,768
Others	5,628,208,647	8,685,165,926
<b>TOTAL</b>	<b><u>108,840,169,837</u></b>	<b><u>111,928,876,953</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**27. OTHER INCOME**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Support from customers	8,399,975,745	-
Gains from compensation income	309,327,404	2,862,163,226
Gains from disposal of fixed assets	-	499,356,214
Others	532,581,644	1,279,569,199
<b>TOTAL</b>	<b><u>9,241,884,793</u></b>	<b><u>4,641,088,639</u></b>

**28. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	322,124,730,443	462,783,707,754
External services	30,802,047,547	61,494,164,526
Provision for obsolete inventories	35,553,228,528	-
Depreciation and amortization (Notes 10 and 11)	23,983,328,133	27,275,655,344
Raw materials	21,403,454,078	366,854,419,238
Unemployment allowance	20,163,892,912	-
Tools and supplies	9,048,078,756	9,665,968,205
Provision expense	120,218,177	3,534,726,599
Others	11,050,992,888	11,812,272,983
<b>TOTAL</b>	<b><u>474,249,971,462</u></b>	<b><u>943,420,914,649</u></b>

**29. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") rate applicable to the Company and subsidiaries are as follows:

- ▶ The statutory CIT rate applicable to the Company and Tan My Garment Co., Ltd. ("Tan My") is 20% of taxable income.
- ▶ Garmex Quangnam Company Limited ("Garmex Quangnam"), the Company's subsidiary, is subject to CIT at 20% on taxable income. Garmex Quangnam is entitled to an exemption from CIT for four (4) years commencing from the first year in which a taxable income is earned (2017) and a 50% reduction of the applicable CIT rate for the following nine (9) years for income from expansion investment project in Ha Lam – Cho Duoc Industrial Park, Thang Binh District, Quang Nam Province.
- ▶ Blue Saigon LLC, Garmex Quangnam's subsidiary, established in the United States of America, has the obligation to pay Federal CIT at the rate of 21% of taxable income and State CIT at the lower of 8.84% of taxable income or USD 800.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**29. CORPORATE INCOME TAX (continued)**

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

**29.1 CIT expense**

	VND	
	Current year	Previous year
Current tax expense	18,601,600	9,154,515,560
Adjustment for under accrual of tax from prior years	<u>203,302,999</u>	<u>1,165,525,219</u>
	221,904,599	10,320,040,779
Deferred tax (income) expense	<u>(999,710,463)</u>	<u>1,243,686,573</u>
<b>TOTAL</b>	<b><u>(777,805,864)</u></b>	<b><u>11,563,727,352</u></b>

A reconciliation between CIT expenses and the accounting (loss) profit multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
<b>Accounting (loss) profit before tax</b>	<b><u>(85,479,683,375)</u></b>	<b><u>55,155,145,656</u></b>
At CIT rate applicable to companies in the Group	(17,009,477,601)	11,027,789,919
<i>Adjustments:</i>		
Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency	(1,952,950,464)	343,117,616
Non-deductible expenses	348,819,484	494,266,080
Adjustment for under accrual of tax from prior years	203,302,999	1,165,525,219
Provision for doubtful receivables	184,376,664	1,774,704,237
Undistributed earnings	2,216,303	-
Dividend income	(6,063,840)	-
Change in provision for long-term investments	(292,304,543)	-
Utilization of tax losses carried forward	-	(2,067,923,555)
Change in provision for obsolete inventories	7,150,178,102	(690,050,300)
CIT incentive during the year	-	(548,927,774)
Deferred tax assets not yet recognized for tax losses carried forward	<u>10,594,097,032</u>	<u>65,225,910</u>
<b>CIT (income) expenses</b>	<b><u>(777,805,864)</u></b>	<b><u>11,563,727,352</u></b>

**29.2 Current tax**

The current CIT payable is based on taxable (loss) income for the current year. The taxable (loss) income of the Group for the year differs from the (loss) 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 by the balance sheet date.

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

## 29. CORPORATE INCOME TAX (continued)

### 29.3 *Deferred tax*

The following are the deferred tax liabilities 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>
Payable provisions	5,118,560,360	1,680,666,284	3,437,894,076	(123,417,616)
Provision for investments	(3,454,317,542)	(1,830,948,134)	(1,623,369,408)	1,915,673,951
Provision for doubtful receivables	(9,262,814,442)	(8,448,000,237)	(814,814,205)	(3,035,942,908)
<b><i>Net deferred tax liabilities</i></b>	<b><u>(7,598,571,624)</u></b>	<b><u>(8,598,282,087)</u></b>		
<b><i>Deferred tax income (expense) charge to consolidated income statement</i></b>			<b><u>999,710,463</u></b>	<b><u>(1,243,686,573)</u></b>

### 29.4 *Tax losses carried forward*

The Group is entitled to carry each individual tax loss forward to offset against taxable income arising within five years consecutive to the year in which the loss was incurred. At the balance sheet date, the Group has aggregated accumulated tax losses of VND 68,823,238,057 (31 December 2021: VND 15,513,465,505) available for offset against future taxable income. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 31 December 2022</i>	VND	
				<i>Forfeited</i>	<i>Unutilized at 31 December 2022</i>
2019	2024	14,848,085,827	(10,339,617,772)	-	4,508,468,055
2020	2025	11,004,997,450	-	-	11,004,997,450
2022	2027	53,309,772,552	-	-	53,309,772,552
<b>TOTAL</b>		<b><u>79,162,855,829</u></b>	<b><u>(10,339,617,772)</u></b>	<b>-</b>	<b><u>68,823,238,057</u></b>

Estimated tax losses as per the Group's CIT declarations for the year ended 31 December 2022 have not been audited by the local tax authorities as of the date of these consolidated financial statements.

Deferred tax assets have not been recognized in respect of the above tax losses due to uncertainty of future taxable profits.

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

### 30. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>
Garmex Quangnam Company Limited	Subsidiary
Tan My Garment Company Limited	Subsidiary
Sai Gon Tuong Long Company Limited	Subsidiary (to 23 March 2022)
Blue Saigon LLC	Indirect subsidiary
Phu My Corporation	Associate
Binh Thanh Import Export Production & Trade JSC	Same key personnel
Transimex Corporation	Same key personnel
Mr Nguyen Viet Cuong	Chairman
Mr Bui Tuan Ngoc	Chairman (to 24 November 2022)
Mr Bui Minh Tuan	Member of Board of Directors
Mr Le Van Hung	Member of Board of Directors
Mr Le Hung	Member of Board of Directors cum General Director (to 24 November 2022)
Mr Nguyen The Hieu	Member of Board of Directors (from 24 November 2022)
Mr Tran Nguyen Anh Minh	Member of Board of Directors (from 24 November 2022)
Ms Nguyen Minh Hang	General Director cum Finance Director
Ms Nguyen Thi Thu Ha	Deputy General Director (to 3 October 2022)
Ms Phan Thi Phuong	Head of Board of Supervision
Ms Le Thi Chin	Member of Board of Supervision
Mr Tu Vi Tri	Member of Board of Supervision

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Processing fee (Note 23.1) Transportation and material expense	224,109,489,320 3,465,000	346,521,477,764 322,843,065
Transimex Corporation	Same key personnel	Transportation fee	28,201,186	1,984,653,135
Phu My Joint Stock Company	Associate	Purchase of services	917,270,910	937,763,910

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

### 30. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	VND	
			Ending balance	Beginning balance
<b>Short-term trade receivable (Note 5)</b>				
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Processing fee	-	118,704,285,818
<b>Short-term trade payables (Note 14)</b>				
Phu My Joint Stock Company	Associate	Purchase of services	66,161,475	89,750,809
Transimex Corporation	Same key personnel	Transportation fee	-	37,928,825
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Penalty expenses	-	24,510,568
			<b>66,161,475</b>	<b>152,190,202</b>

Remuneration to members of the Board of Directors ("BOD"), Management and the Board of Supervision ("BOS") during the year were as follows:

Name	Position	VND	
		Current year	Previous year
Mr Nguyen Viet Cuong	Chairman	319,810,621	-
Mr Bui Tuan Ngoc	Chairman (to 24 November 2022)	479,715,931	-
Mr Le Hung	Member of the BOD cum General Director (to 24 November 2022)	479,715,931	-
Mr Bui Minh Tuan	Member of BOD	319,810,621	-
Mr Le Van Hung	Member of BOD	50,580,645	-
Mr Lam Tu Thanh	Member of BOD (to 24 May 2021)	269,229,976	-
Ms Nguyen Thi Thu Huong	Member of BOD (to 24 May 2021)	269,229,976	716,200,449
Ms Nguyen Minh Hang	Deputy General Director cum Financial Director Member of BOD (to 24 May 2021)	1,127,741,746	818,790,290
Ms Nguyen Thi Thu Ha	Deputy General Director (to 3 October 2022)	590,913,329	804,910,058
Ms Phan Thi Phuong	Head of BOS	382,282,320	193,437,653
Ms Le Thi Chin	Member of BOS	191,886,373	-
Mr Tu Vi Tri	Member of BOS	191,886,373	-
Ms Tran Thi My Hanh	Chief Accountant	478,884,790	475,571,478
Ms Huynh Thi Kim Loan	Secretary Officer	388,197,409	404,914,028
<b>TOTAL</b>		<b>5,539,886,041</b>	<b>3,413,823,956</b>

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

### 31. OFF BALANCE SHEET ITEM

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	<u>8,747,436.88</u>	<u>14,025,515.89</u>

### 32. EVENTS AFTER THE BALANCE SHEET DATE

There is no significant matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Trần Thị Thu Tram  
Preparer



Trần Thị My Hạnh  
Chief Accountant



Nguyễn Minh Hằng  
General Director

Ho Chi Minh City, Vietnam

31 March 2023

