

# **Garmex Saigon Corporation**

Separate 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
	Member	resigned 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 separate financial statements of the Company for the year ended 31 December 2022.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

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

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2022 and of the separate results of its operations and its separate 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 separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022 ("consolidated financial statements") dated 31 March 2023.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, the consolidated results of operations and the consolidated cash flows of the Group.

For and on behalf of management:



\_\_\_\_\_  
Nguyen Minh Hang  
General Director

Ho Chi Minh City, Vietnam

31 March 2023

Reference: 61192495/22987023

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying separate financial statements of Garmex Saigon Corporation ("the Company") as prepared on 31 March 2023 and as set out on pages 6 to 39, which comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate 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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2022, and of the separate results of its operations and its separate 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 separate financial statements.

**Ernst & Young Vietnam Limited**



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Nguyễn Thị Như Quỳnh  
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

SEPARATE BALANCE SHEET  
as at 31 December 2022


VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>283,246,267,441</b>	<b>610,390,862,705</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>205,426,162,304</b>	<b>331,278,968,878</b>
111	1. Cash		205,426,162,304	331,278,968,878
<b>130</b>	<b>II. Current accounts receivable</b>		<b>40,676,336,841</b>	<b>197,602,428,586</b>
131	1. Short-term trade receivables	5	58,488,943,683	235,820,845,071
132	2. Short-term advances to suppliers	6	31,553,802,451	10,933,784,396
136	3. Other short-term receivables	7	1,833,162,400	367,728,116
137	4. Provision for doubtful short-term receivables	5	(51,199,571,693)	(49,519,928,997)
<b>140</b>	<b>III. Inventories</b>	<b>9</b>	<b>26,047,261,834</b>	<b>60,983,973,502</b>
141	1. Inventories		61,514,033,117	61,025,960,331
149	2. Provision for obsolete inventories		(35,466,771,283)	(41,986,829)
<b>150</b>	<b>IV. Other current assets</b>		<b>11,096,506,462</b>	<b>20,525,491,739</b>
151	1. Short-term prepaid expenses	10	685,381,504	1,433,414,193
152	2. Value-added tax deductible	17	8,894,798,183	15,845,412,285
153	3. Tax and other receivables from the State	17	1,516,326,775	3,246,665,261
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>221,417,860,725</b>	<b>220,658,653,491</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>73,387,733,453</b>	<b>76,072,248,091</b>
221	1. Tangible fixed assets	11	72,456,892,822	74,822,253,607
222	Cost		265,593,377,900	256,661,709,016
223	Accumulated depreciation		(193,136,485,078)	(181,839,455,409)
227	2. Intangible assets	12	930,840,631	1,249,994,484
228	Cost		6,018,865,523	6,018,865,523
229	Accumulated amortisation		(5,088,024,892)	(4,768,871,039)
<b>240</b>	<b>II. Long-term asset in progress</b>		<b>32,507,811,555</b>	<b>18,882,213,828</b>
242	1. Construction in progress	13	32,507,811,555	18,882,213,828
<b>250</b>	<b>III. Long-term investments</b>	<b>14</b>	<b>101,252,770,891</b>	<b>110,321,894,330</b>
251	1. Investments in subsidiaries		101,000,000,000	102,700,000,000
252	2. Investment in an associate		4,341,000,000	4,341,000,000
253	3. Investments in other entities		15,395,180,000	15,395,180,000
254	4. Provision for long-term investments		(19,483,409,109)	(12,114,285,670)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>14,269,544,826</b>	<b>15,382,297,242</b>
261	1. Long-term prepaid expenses	10	11,179,671,978	13,163,781,634
262	2. Deferred tax assets	30.3	3,089,872,848	2,218,515,608
<b>270</b>	<b>TOTAL ASSETS</b>		<b>504,664,128,166</b>	<b>831,049,516,196</b>

SEPARATE BALANCE SHEET (continued)  
as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>80,821,941,093</b>	<b>175,124,587,162</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>75,330,268,289</b>	<b>166,721,255,739</b>
311	1. Short-term trade payables	15	35,335,324,057	116,535,826,129
312	2. Short-term advances from customers	16	93,407,420	5,006,176,025
313	3. Statutory obligations	17	-	6,713,909,561
314	4. Payables to employees		7,545,926,593	31,519,650,507
315	5. Short-term accrued expenses	18	1,419,137,547	4,534,633,503
319	6. Other short-term payables	19	643,368,998	1,620,308,538
320	7. Short-term loans	20	20,866,820,000	-
321	8. Short-term provision	22	8,861,208,000	-
322	9. Bonus and welfare fund	21	565,075,674	790,751,476
<b>330</b>	<b>II. Non-current liabilities</b>		<b>5,491,672,804</b>	<b>8,403,331,423</b>
342	1. Long-term provisions	22	5,491,672,804	8,403,331,423
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>423,842,187,073</b>	<b>655,924,929,034</b>
<b>410</b>	<b>I. Capital</b>	<b>23.1</b>	<b>423,842,187,073</b>	<b>655,924,929,034</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)
418	4. Investment and development fund		67,754,774,402	67,754,774,402
421	5. (Accumulated losses) undistributed earnings		(45,739,866,013)	186,342,875,948
421a	- Undistributed earnings by the end of prior year		18,460,331,319	153,657,263,066
421b	- (Losses) undistributed earnings of the current year		(64,200,197,332)	32,685,612,882
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>504,664,128,166</b>	<b>831,049,516,196</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

SEPARATE 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	24.1	296,818,303,561	1,069,651,982,065
11	2. Cost of goods sold and services rendered	25	308,308,651,169	948,919,334,338
20	3. Gross (loss) profit from sale of goods and rendering of services		(11,490,347,608)	120,732,647,727
21	4. Finance income	24.2	41,044,430,665	17,051,964,858
22	5. Finance expenses	26	32,641,502,030	11,985,732,479
23	<i>In which: Interest expense</i>		-	3,398,903,219
25	6. Selling expenses	27	349,991,160	7,521,953,741
26	7. General and administrative expenses	27	70,656,670,407	80,175,547,594
30	8. Operating (loss) profit		(74,094,080,540)	38,101,378,771
31	9. Other income	28	9,182,554,487	3,927,044,858
32	10. Other expenses		160,028,519	-
40	11. Other profit		9,022,525,968	3,927,044,858
50	12. Accounting (loss) profit before tax		(65,071,554,572)	42,028,423,629
51	13. Current corporate income tax expense	30.1	-	7,798,161,554
52	14. Deferred tax (income) expense	30.3	(871,357,240)	1,544,649,193
60	15. Net (loss) profit after tax		(64,200,197,332)	32,685,612,882

  
Tran Thi Thu Tram  
Preparer

  
Tran Thi My Hanh  
Chief Accountant

  
Nguyen Minh Hang  
General Director



Ho Chi Minh City, Vietnam

31 March 2023

SEPARATE 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>(65,071,554,572)</b>	<b>42,028,423,629</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization of fixed assets	11, 12	13,120,549,048	14,189,424,412
03	Provisions (reversal of provision)		51,884,622,687	(14,225,646,841)
04	Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currencies		(7,045,805,116)	2,784,696,528
05	Profits from investing activities		(273,173,543)	(282,549,447)
06	Interest expense	26	-	3,398,903,219
<b>08</b>	<b>Operating (loss) profit before changes in working capital</b>		<b>(7,385,361,496)</b>	<b>47,893,251,500</b>
09	Decrease (increase) in receivables		158,233,711,592	(13,602,309,349)
10	(Increase) decrease in inventories		(488,072,786)	179,251,631,824
11	Decrease in payables		(113,599,293,198)	(56,023,796,772)
12	Decrease (increase) in prepaid expenses		2,732,142,345	(282,791,958)
14	Interest paid		-	(3,476,185,487)
15	Corporate income tax paid	17	(7,160,809,500)	(5,473,911,744)
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>28,979,091,526</b>	<b>147,679,324,963</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(16,950,141,217)	(22,455,281,748)
22	Proceeds from disposals of fixed assets		38,687,282	245,353,555
26	Proceeds from de-investment in a subsidiary	14.1	207,021,925	-
27	Dividends and interest received		357,610,505	37,195,892
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(16,346,821,505)</b>	<b>(22,172,732,301)</b>

SEPARATE 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	20	20,866,820,000	351,081,721,634
34	Repayment of borrowings	20	-	(715,499,640,540)
36	Dividends paid	23.3	(164,737,530,000)	-
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(143,870,710,000)</b>	<b>(364,417,918,906)</b>
<b>50</b>	<b>Net decrease in cash for the year</b>		<b>(131,238,439,979)</b>	<b>(238,911,326,244)</b>
<b>60</b>	<b>Cash at beginning of year</b>		<b>331,278,968,878</b>	<b>571,950,296,562</b>
61	Impact of exchange rate fluctuation		5,385,633,405	(1,760,001,440)
<b>70</b>	<b>Cash at end of year</b>	<b>4</b>	<b>205,426,162,304</b>	<b>331,278,968,878</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 SEPARATE 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/QĐ-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.

The number of the Company's employees as at 31 December 2022 was 792 (31 December 2021: 1,995) and as at date of separate financial statements was 98.

## 2. BASIS OF PREPARATION

### 2.1 *Purpose of preparing the separate financial statements*

The Company has subsidiaries as disclosed in *Note 14.1*. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No.96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022 ("consolidated financial statements") dated 31 March 2023.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

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

## 2. BASIS OF PREPARATION (continued)

### 2.2 *Applied accounting standards and system*

The separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying separate 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 separate financial position and results of separate operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.3 *Applied accounting documentation system*

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

### 2.4 *Fiscal year*

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

### 2.5 *Accounting currency*

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

### 2.6 *Going concern assumption*

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries, the Company incurred a net loss of VND 64,200,197,332 for the year ended 31 December 2022 and as of that date, the Company's accumulated losses of VND 45,739,866,013.

As at the date of separate financial statements, the Company's management prepared cash flow projection and profit plan for the next 12 months that enables the Company 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 separate financial statements on the going concern basis. Accordingly, the separate financial statements do not include any adjustments to assets and liabilities that may be necessary if the Company is unable to continue as a going concern.

NOTES TO THE SEPARATE 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 separate 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 the general and administrative expenses in the separate 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 realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

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

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

##### *Provision for obsolete inventories*

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

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

NOTES TO THE SEPARATE 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 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 separate 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 separate income statement.

#### 3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation 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 Company 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 separate 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 land rental represents the unamortised balance of advanced payment made in accordance with lease contract No. 02/HĐ-TĐ on 26 October 2007 for a period of 43 years signed with Phu My Corporation. Such prepaid rental is recognized as a long-term prepaid expense for allocation to the 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.

#### 3.9 *Investments*

##### *Investments in subsidiaries*

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

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

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

#### 3.9 *Investments* (continued)

##### *Investments in an associate*

Investments in an associate over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

##### *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 separate 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 Company.

#### 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 separate 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.

#### 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.

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

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

#### 3.14 *Foreign currency transactions*

Transactions in currencies other than the Company'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 dates which are determined as follows:

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

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

#### 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, issue or cancellation of the Company's own equity instruments.

#### 3.16 *Appropriation of net profits*

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.

The Company maintains the following reserve funds which are appropriated from the Company'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 Company's expansion of its operation or of in-depth investment.

▶ *Bonus and welfare fund*

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

#### 3.17 *Revenue recognition*

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

*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.

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

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

#### 3.17 *Revenue recognition* (continued)

##### *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 Company'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.

#### 3.18 *Taxation*

##### *Current income tax*

Current 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 by the balance sheet date.

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

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting 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;
- ▶ 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 utilized, except:

NOTES TO THE SEPARATE 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)

- ▶ 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;
- ▶ 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 utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized 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.

Deferred tax is charged or credited to the separate income statement, except when it relates to items recognized 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 Company to off-set 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 Company 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 *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.

### 4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	240,808,285	39,237,605
Cash in banks	205,185,354,019	331,239,731,273
<b>TOTAL</b>	<b>205,426,162,304</b>	<b>331,278,968,878</b>

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

## 5. SHORT TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Due from other parties	10,267,993,629	70,551,950,543
- Blue Way One Member Co., Ltd.	3,444,650,280	-
- Topo Designs	3,086,954,969	448,003,262
- Coconut Tree Garment Co., Ltd.	2,715,064,920	-
- Promiles S.N.C	-	57,559,366,600
- Columbia Sportswear Co., (Hongkong) Ltd	-	4,565,828,949
- Others	1,021,323,460	7,978,751,732
Due from related parties (Note 31)	48,220,950,054	165,268,894,528
<b>TOTAL</b>	<b>58,488,943,683</b>	<b>235,820,845,071</b>
Provision for doubtful short-term receivables	(51,199,571,693)	(49,519,928,997)
<b>NET</b>	<b>7,289,371,990</b>	<b>186,300,916,074</b>

Details of movements of provision for doubtful short-term receivables:

	VND	
	Current year	Previous year
Beginning balance	49,519,928,997	46,785,166,928
Add: Provision made during the year	1,679,642,696	3,578,442,299
Less: Utilisation and reversal of provision during the year	-	(843,680,230)
Ending balance	51,199,571,693	49,519,928,997

## 6. SHORT-TERM ADVANCE TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Due from other parties	3,778,374,745	10,933,784,396
- 4/10 Fire Protection Equipment Center	1,768,852,080	1,721,003,340
- Lac Viet Computing Corporation	741,727,000	741,727,000
- W.L. Gore & Associates (Hong Kong) Ltd	635,343,800	-
- Huy Thuoc Construction Company	-	5,888,953,476
- Others	632,451,865	2,582,100,580
Due to a related party (Note 31)	27,775,427,706	-
<b>TOTAL</b>	<b>31,553,802,451</b>	<b>10,933,784,396</b>

## 7. SHORT-TERM OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Employee advances	1,833,162,400	79,767,386
Others	-	287,960,730
<b>TOTAL</b>	<b>1,833,162,400</b>	<b>367,728,116</b>

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

8. **BAD DEBTS**

	<i>Ending balance</i>			<i>Beginning balance</i>			<i>VND</i>
	<i>Cost</i>	<i>Provision</i>	<i>Recoverable pamount</i>	<i>Cost</i>	<i>Provision</i>	<i>Recoverable amount</i>	
	Blue Saigon LLC	47,410,555,647	(47,410,555,647)	-	45,851,131,128	(45,851,131,128)	-
Topo Designs	3,654,944,776	(3,654,944,776)	-	3,534,726,599	(3,534,726,599)	-	
Others	134,071,270	(134,071,270)	-	134,071,270	(134,071,270)	-	
<b>TOTAL</b>	<b>51,199,571,693</b>	<b>(51,199,571,693)</b>	<b>-</b>	<b>49,519,928,997</b>	<b>(49,519,928,997)</b>	<b>-</b>	

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

9. INVENTORIES

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Finished goods (*)	39,828,303,546	(14,801,153,425)	25,756,359,962	(41,986,829)
Raw materials	21,363,031,231	(20,665,617,858)	34,747,330,236	-
Tools and supplies	123,779,753	-	506,503,767	-
Work in process	198,918,587	-	8,566,366	-
Merchandise goods	-	-	7,200,000	-
<b>TOTAL</b>	<b>61,514,033,117</b>	<b>(35,466,771,283)</b>	<b>61,025,960,331</b>	<b>(41,986,829)</b>

(\*) Included in the balance of finished goods is the processing cost that the Company has performed the processing services for a customer. However, during the quality inspection and evaluation process, the Company 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.

*Detail of movements of provision for obsolete inventories:*

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	41,986,829	6,806,937,906
Add: Provision during the year	35,424,784,454	-
Less: Utilisation and reversal of provision during the year	-	(6,764,951,077)
Ending balance	<u>35,466,771,283</u>	<u>41,986,829</u>

10. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>685,381,504</b>	<b>1,433,414,193</b>
Tools and suppliers	311,547,076	619,750,176
Repair expenses	-	589,019,302
Others	373,834,428	224,644,715
<b>Long-term</b>	<b>11,179,671,978</b>	<b>13,163,781,634</b>
Prepaid land rentals	7,664,913,286	7,899,553,489
Tools and suppliers	1,761,902,993	3,561,550,763
Machine and equipment	1,586,818,994	1,678,690,476
Others	166,036,705	23,986,906
<b>TOTAL</b>	<b>11,865,053,482</b>	<b>14,597,195,827</b>

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

## 11. TANGIBLE FIXED ASSETS

					VND
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>					
Beginning balance	114,633,412,018	115,262,840,546	12,506,692,135	14,258,764,317	256,661,709,016
Newly purchases	1,424,807,000	3,308,371,105	641,000,000	2,602,107,400	7,976,285,505
Transfer from construction in progress	2,551,417,791	-	-	-	2,551,417,791
Disposals	-	(117,465,000)	-	(1,478,569,412)	(1,596,034,412)
Ending balance	<u>118,609,636,809</u>	<u>118,453,746,651</u>	<u>13,147,692,135</u>	<u>15,382,302,305</u>	<u>265,593,377,900</u>
<i>In which:</i>					
<i>Fully depreciated</i>	28,010,895,137	92,985,899,905	9,639,264,862	9,644,114,904	140,280,174,808
<b>Accumulated depreciation:</b>					
Beginning balance	57,248,049,351	101,103,692,850	11,164,156,502	12,323,556,706	181,839,455,409
Depreciation for the year	3,982,801,983	6,412,865,883	771,667,490	1,634,059,839	12,801,395,195
Disposals	-	(117,465,000)	-	(1,386,900,526)	(1,504,365,526)
Ending balance	<u>61,230,851,334</u>	<u>107,399,093,733</u>	<u>11,935,823,992</u>	<u>12,570,716,019</u>	<u>193,136,485,078</u>
<b>Net carrying amount:</b>					
Beginning balance	<u>57,385,362,667</u>	<u>14,159,147,696</u>	<u>1,342,535,633</u>	<u>1,935,207,611</u>	<u>74,822,253,607</u>
Ending balance	<u>57,378,785,475</u>	<u>11,054,652,918</u>	<u>1,211,868,143</u>	<u>2,811,586,286</u>	<u>72,456,892,822</u>

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

## 12. INTANGIBLE ASSETS

	VND
	<i>Software</i>
<b>Cost:</b>	
Beginning and ending balances	<u>6,018,865,523</u>
<i>In which:</i>	
Fully amortized	3,546,134,623
<b>Accumulated amortization:</b>	
Beginning balance	4,768,871,039
Amortization for the year	<u>319,153,853</u>
Ending balance	<u>5,088,024,892</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>1,249,994,484</u>
Ending balance	<u>930,840,631</u>

## 13. 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	<u>33,982,000</u>	<u>1,751,902,351</u>
<b>TOTAL</b>	<b><u>32,507,811,555</u></b>	<b><u>18,882,213,828</u></b>

(\*) 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

#### 14. LONG-TERM INVESTMENTS

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Investment in subsidiaries (Note 14.1)	101,000,000,000	(15,000,000,000)	102,700,000,000	(6,883,152,961)
Investment in an associate (Note 14.2)	4,341,000,000	(2,271,587,709)	4,341,000,000	(2,271,587,709)
Investment in other entities (Note 14.3)	15,395,180,000	(2,211,821,400)	15,395,180,000	(2,959,545,000)
<b>TOTAL</b>	<b>120,736,180,000</b>	<b>(19,483,409,109)</b>	<b>122,436,180,000</b>	<b>(12,114,285,670)</b>

##### 14.1 Investment in subsidiaries

Name	Location	Business activities	<i>Ending balance</i>				<i>Beginning balance</i>			
			<i>Voting right</i>	<i>Cost of investment</i>	<i>Provision</i>	<i>Net</i>	<i>Voting right</i>	<i>Cost of investment</i>	<i>Provision</i>	<i>Net</i>
			%	VND	VND	VND	%	VND	VND	VND
Garmex Quangnam Company Limited	Ho Chi Minh City, Vietnam	Garment	100	86,000,000,000	-	86,000,000,000	100	86,000,000,000	-	86,000,000,000
Tan My Garment Company Limited	Ba Ria - Vung Tau Province, Vietnam	Garment	100	15,000,000,000	(15,000,000,000)	-	100	15,000,000,000	(5,421,630,244)	9,578,369,756
Sai Gon - Tuong Long Company Limited (*)	Binh Duong Province, Vietnam	Garment	-	-	-	-	51	1,700,000,000	(1,461,522,717)	238,477,283
<b>TOTAL</b>				<b>101,000,000,000</b>	<b>(15,000,000,000)</b>	<b>86,000,000,000</b>		<b>102,700,000,000</b>	<b>(6,883,152,961)</b>	<b>95,816,847,039</b>

(\*) 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 separate financial statement (Notes 26).

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

#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.2 Investment in an associate

Name	Business activities	Ending balance				Beginning balance			
		Ownership	Cost of investment	Provision	Net Ownership	Cost of investment	Provision	Net	
		%	VND	VND	VND	%	VND	VND	VND
Phu My Corporation	Garment	32.47	<u>4,341,000,000</u>	<u>(2,271,587,709)</u>	<u>2,069,412,291</u>	32.47	<u>4,341,000,000</u>	<u>(2,271,587,709)</u>	<u>2,069,412,291</u>

##### 14.3 Investment in other entities

Name of entity	Ending balance			Beginning balance		
	Number of shares	Cost of investment	Provision	Number of shares	Cost of investment	Provision
		VND	VND		VND	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	<u>1,269,730,000</u>	-	25,266	<u>1,269,730,000</u>	-
<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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

**15. SHORT TERM TRADE PAYABLES**

	VND	
	Ending balance	Beginning balance
Due to other parties	907,392,011	10,024,230,600
- Long Hoang Security Service Co., Ltd.	261,360,000	293,418,888
- Thanh Ha Food Trading Co., Ltd.	122,730,288	267,904,400
- Teijin Frontier Co., Ltd	-	4,819,263,256
- Others	523,301,723	4,643,644,056
Due to related parties (Note 31)	34,427,932,046	106,511,595,529
<b>TOTAL</b>	<b><u>35,335,324,057</u></b>	<b><u>116,535,826,129</u></b>

**16. SHORT TERM ADVANCES FROM CUSTOMERS**

	VND	
	Ending balance	Beginning balance
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>

**17. STATUTORY OBLIGATIONS AND TAX RECEIVABLES**

	VND			
	Beginning balance	Increase in year	Decrease in year	Ending balance
<b>Receivables</b>				
Value-added tax	15,845,412,285	14,451,006,269	(21,401,620,371)	8,894,798,183
Import duties	690,391,605	299,817,642	(291,432,549)	698,776,698
Corporate income tax	-	7,160,809,500	(6,713,609,708)	447,199,792
Personal income tax	2,556,273,656	1,988,867,629	(4,174,791,000)	370,350,285
Land fee	-	3,651,306,588	(3,651,306,588)	-
<b>TOTAL</b>	<b><u>19,092,077,546</u></b>	<b><u>27,551,807,628</u></b>	<b><u>(36,232,760,216)</u></b>	<b><u>10,411,124,958</u></b>
<b>Payables</b>				
Corporate income tax	6,713,609,708	-	(6,713,609,708)	-
Others	299,853	14,077,348	(14,377,201)	-
<b>TOTAL</b>	<b><u>6,713,909,561</u></b>	<b><u>14,077,348</u></b>	<b><u>(6,727,986,909)</u></b>	<b><u>-</u></b>

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

**18. SHORT-TERM ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Annual leave salary	918,382,497	3,970,925,630
Professional fee	500,000,000	318,000,000
Others	755,050	245,707,873
<b>TOTAL</b>	<b><u>1,419,137,547</u></b>	<b><u>4,534,633,503</u></b>

**19. OTHER SHORT-TERM PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Insurance and union fee	501,745,573	1,097,860,594
Others	141,623,425	522,447,944
<b>TOTAL</b>	<b><u>643,368,998</u></b>	<b><u>1,620,308,538</u></b>

**20. 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 a bank	-	<u>20,866,820,000</u>	-	<u>20,866,820,000</u>

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

<i>Bank</i>	<i>Ending balance</i>	<i>Interest rate</i>	<i>Maturity date</i>	<i>Description of collateral</i>
	<i>(VND)</i>	<i>% p.a</i>		
Vietnam Bank for Social Policies	<u>20,866,820,000</u>	0%	11 January 2023	Unsecured

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

**21. 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	<u>565,075,674</u>	<u>790,751,476</u>

**22. PROVISION**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>	<b>8,861,208,000</b>	-
Retrenchment allowance (Note 3.13)	8,861,208,000	-
<b>Long-term</b>	<b>5,491,672,804</b>	<b>8,403,331,423</b>
Severance allowance (Note 3.12)	5,026,616,500	7,628,060,667
Annual leave salary	<u>465,056,304</u>	<u>775,270,756</u>
<b>TOTAL</b>	<b><u>14,352,880,804</u></b>	<b><u>8,403,331,423</u></b>

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

## 23. OWNERS' EQUITY

### 23.1 Increase and decrease in owners' equity

						VND
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Investment and development fund</i>	<i>Undistributed earnings (accumulated losses)</i>	<i>Total</i>
<b>Previous year</b>						
Beginning balance	300,052,800,000	72,687,827,370	(863,138,686)	67,754,774,402	183,607,053,066	623,239,316,152
Net profit for the year	-	-	-	-	32,685,612,882	32,685,612,882
Share dividends	29,949,790,000	-	-	-	(29,949,790,000)	-
Ending balance	<u>330,002,590,000</u>	<u>72,687,827,370</u>	<u>(863,138,686)</u>	<u>67,754,774,402</u>	<u>186,342,875,948</u>	<u>655,924,929,034</u>
<b>Current year</b>						
Beginning balance	330,002,590,000	72,687,827,370	(863,138,686)	67,754,774,402	186,342,875,948	655,924,929,034
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	-	-	-	-	(64,200,197,332)	(64,200,197,332)
Ending balance	<u>330,002,590,000</u>	<u>72,687,827,370</u>	<u>(863,138,686)</u>	<u>67,754,774,402</u>	<u>(45,739,866,013)</u>	<u>423,842,187,073</u>

(\*) In accordance with Resolution No. 01/NQ-DHĐCĐ/2022 dated 18 June 2022, the 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

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

**23.2 Capital transactions with owners**

	VND	
	Current year	Previous year
<b>Contributed share capital</b>		
Beginning balance	330,002,590,000	300,052,800,000
Share dividends	-	29,949,790,000
Ending balance	<u>330,002,590,000</u>	<u>330,002,590,000</u>

**23.3 Dividends**

	VND	
	Current year	Previous year
<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	-

**23.4 Shares**

	Quantity	
	Ending balance	Beginning balance
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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

## 24. REVENUES

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

	Current year	VND Previous year
<b>Net revenue</b>		
Domestic sale	247,501,000,794	363,512,113,900
Export sale	49,317,302,767	706,139,868,165
	<u>296,818,303,561</u>	<u>1,069,651,982,065</u>
<i>In which:</i>		
Net revenue from related parties (Note 31)	228,797,409,597	351,463,507,419
Net revenue from other parties	68,020,893,964	718,188,474,646

### 24.2 Finance income

	Current year	VND Previous year
Foreign exchange gains	40,686,820,160	17,008,022,133
Interest income	327,291,305	37,195,892
Dividend shared	30,319,200	-
Others	-	6,746,833
<b>TOTAL</b>	<u>41,044,430,665</u>	<u>17,051,964,858</u>

## 25. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year	VND Previous year
Cost of goods sold and services rendered	272,883,866,715	948,928,275,717
Provision (reversal of provision) for obsolete inventories	35,424,784,454	(8,941,379)
<b>TOTAL</b>	<u>308,308,651,169</u>	<u>948,919,334,338</u>

## 26. FINANCE EXPENSES

	Current year	VND Previous year
Foreign exchange losses	23,779,400,516	18,165,199,016
Provision (reversal of provision) for diminution in value of long-term investments	8,830,646,156	(9,578,369,756)
Loss from de-investment of a subsidiary (Note 14.1)	31,455,358	-
Interest expense	-	3,398,903,219
<b>TOTAL</b>	<u>32,641,502,030</u>	<u>11,985,732,479</u>

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

**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>349,991,160</b>	<b>7,521,953,741</b>
Transportation expenses	349,991,160	7,521,953,741
<b>General and administrative expenses</b>	<b>70,656,670,407</b>	<b>80,175,547,594</b>
Labour cost	43,236,660,668	57,172,035,313
Redundancy employee provision	9,703,024,121	-
External services	6,312,292,491	9,682,695,566
Depreciation and amortization	4,723,710,847	5,779,899,810
Tool and supplies	1,754,100,541	2,035,837,768
Provision for doubtful receivables	1,679,642,696	2,734,762,069
Others	3,247,239,043	2,770,317,068
<b>TOTAL</b>	<b><u>71,006,661,567</u></b>	<b><u>87,697,501,335</u></b>

**28. 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	-	245,353,555
Others	473,251,338	819,528,077
<b>TOTAL</b>	<b><u>9,182,554,487</u></b>	<b><u>3,927,044,858</u></b>

**29. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	159,361,995,873	268,384,116,301
External services	143,011,340,696	308,874,041,702
Provision for obsolete inventories	35,424,784,454	-
Raw materials	17,670,426,560	362,090,877,650
Depreciation and amortization (Notes 11 and 12)	13,120,549,048	14,189,424,412
Unemployment allowance	9,703,024,121	-
Tools and supplies	9,048,078,756	9,665,968,205
Provision for doubtful receivables (Note 5)	1,679,642,696	2,734,762,069
Others	4,568,308,851	4,693,281,802
<b>TOTAL</b>	<b><u>393,588,151,055</u></b>	<b><u>970,632,472,141</u></b>

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

### 30. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 20% of taxable income.

The tax returns filed by the Company 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 separate financial statements could be changed at a later date upon final determination by the tax authorities.

#### 30.1 CIT expense

	VND	
	Current year	Previous year
Current tax expense	-	6,935,018,269
Adjustment for under accrual of tax from prior years	-	863,143,285
	-	7,798,161,554
Deferred tax (income) expense	(871,357,240)	1,544,649,193
<b>TOTAL</b>	<b>(871,357,240)</b>	<b>9,342,810,747</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>(65,071,554,572)</b>	<b>42,028,423,629</b>
At CIT rate of 20% applicable to the Company	(13,014,310,914)	8,405,684,726
<i>Adjustments:</i>		
Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency	(1,952,716,429)	343,592,977
Non-deductible expenses	249,792,993	420,440,059
Dividend income	(6,063,840)	-
Change in provision for obsolete inventory	7,084,956,891	(690,050,300)
Adjustment for under accrual of tax from prior years	-	863,143,285
Unrecognized deferred tax assets on tax losses carried forward	6,766,984,059	-
<b>CIT expenses</b>	<b>(871,357,240)</b>	<b>9,342,810,747</b>

#### 30.2 Current tax

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

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

30. CORPORATE INCOME TAX (continued)

30.3 *Deferred tax*

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

	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>			
Provision for doubtful receivables	219,296,687	537,849,324	(318,552,637)	(1,421,231,577)
Payable provisions	2,870,576,161	1,680,666,284	1,189,909,877	(123,417,616)
<b>Net deferred tax assets</b>	<b>3,089,872,848</b>	<b>2,218,515,608</b>		
<b>Deferred tax credit (charge) to separate income statement</b>			<b>871,357,240</b>	<b>(1,544,649,193)</b>

30.4 *Tax losses carried forward*

The Company is entitled to carry each individual tax loss forward to offset against taxable income arising within five years consecutive to the year in which the loss was incurred. At the separate balance sheet date, the Company has aggregated accumulated tax losses of VND 33,834,920,293 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>		<i>Unutilized at 31 December 2022</i>
			<i>Utilized</i>	<i>Forfeited</i>	
2022	2027	33,834,920,293	-	-	33,834,920,293

Estimated tax loss as the Company's CIT declaration for the year ended 31 December 2022 has not been audited by the local tax authorities as of the date of these separate 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at 31 December 2022 and for the year then ended

### 31. 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 Văn 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

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

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Processing and transportation services (*)	224,112,954,320	346,521,477,764
		Transportation and material expense	-	322,843,065
Garmex Quangnam Company Limited	Subsidiary	Sewing and embroidery processing	76,281,335,580	142,756,155,931
		Sale of goods and rendering of services (*)	1,453,438,342	1,161,514,208
Tan My Garment Company Limited	Subsidiary	Sewing and embroidery processing	48,906,744,295	123,050,042,572
		Sale of goods and rendering of services (*)	3,231,016,935	3,780,515,447
Transimex Corporation	Same key personnel	Transportation fee	28,201,186	1,984,653,135
(*) Revenue from related parties (Note 24.1)			<u>228,797,409,597</u>	<u>351,463,507,419</u>

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

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
<b>Short-term trade receivables (Note 5)</b>				
Blue Saigon LLC	Indirect subsidiary	Sale of finished goods	47,410,555,647	45,851,131,128
Tan My Garment Company Limited	Subsidiary	Sale of goods and rendering of services	516,686,542	583,783,040
Garmex Quangnam Company Limited	Subsidiary	Sale of goods and rendering of services	293,707,865	129,694,542
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Processing services	-	118,704,285,818
			<b>48,220,950,054</b>	<b>165,268,894,528</b>
<b>Short-term advance to suppliers (Note 6)</b>				
Tan My Garment Company Limited	Subsidiary	Sewing and embroidery processing	27,775,427,706	-
<b>Short-term trade payables (Note 15)</b>				
Garmex Quangnam Company Limited	Subsidiary	Sewing and embroidery processing	34,427,932,046	92,714,738,886
Tan My Garment Company Limited	Subsidiary	Sewing and embroidery processing	-	13,734,417,250
Transimex Corporation	Same key personnel	Transportation fee	-	37,928,825
Binh Thanh Import Export Production & Trade JSC	Same key personnel	Others	-	24,510,568
			<b>34,427,932,046</b>	<b>106,511,595,529</b>

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

**31. TRANSACTIONS WITH RELATED PARTIES (continued)**

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

<i>Name</i>	<i>Position</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
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 from 24 May 2021)	269,229,976	-
Ms Nguyen Thi Thu Huong	Member of BOD (to from 24 May 2021)	269,229,976	716,200,449
Ms Nguyen Minh Hang	Deputy General Director cum Financial Director Member of BOD (to from 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 Supervisory Board	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><u>5,539,886,041</u></b>	<b><u>3,413,823,956</u></b>

**32. OFF BALANCE SHEET ITEM**

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
- United States dollar (USD)	<u>8,734,441.60</u>	<u>13,995,956.29</u>

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

**33. EVENTS AFTER THE BALANCE SHEET DATE**

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



Tran Thi Thu Tram  
Preparer

Ho Chi Minh City, Vietnam

31 March 2023



Tran Thi My Hanh  
Chief Accountant



Nguyen Minh Hang  
General Director

