

**NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**





**NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

CORPORATE INFORMATION

**Enterprise registration
certificate**

No. 0301447257 dated 19 November 2004 initially issued by the Department of Planning and Investment of Ho Chi Minh City with the latest 27th amended enterprise registration certificate dated 22 July 2021.

Board of Directors

Mr. Nguyen Hieu Liem	Chairman
Mr. Ton That De	Member (from 25 June 2021)
Mr. Nguyen Thai Phien	Member (from 25 June 2021)
Ms. Nguyen Bach Kim Vy	Member (from 25 June 2021)
Ms. Vo Thi Thu Van	Independent member (from 25 June 2021)
Mr. Tran Dao Phuoc Minh	Member (until 25 June 2021)
Ms. Cong Huyen Ton Nu My Lien	Member (until 25 June 2021)
Ms. Tran Thu Hang	Independent member (until 25 June 2021)

Audit Committee

Ms. Vo Thi Thu Van	Head of Audit Committee
Ms. Nguyen Bach Kim Vy	Member
Mr. Nguyen Thai Phien	Member

Board of Management

Mr. Ton That De	General Director (from 6 July 2021)
Mr. Nguyen Hieu Liem	General Director (until 5 July 2021)
Mr. Tran Dao Phuoc Minh	Deputy General Director
Ms. Cong Huyen Ton Nu My Lien	Deputy General Director (until 17 September 2021)
Mr. Nguyen Minh Hai	Chief Financial Officer (from 23 September 2021)
Mr. Nguyen Nhu Pho	Technology Director
Ms. Pham Thi My Phuong	Chief Financial Officer (until 22 September 2021)

Legal representative

Mr. Ton That De	General Director
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Registered office

315 Nam Ky Khoi Nghia Street, Vo Thi Sau Ward, District 3,
Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited



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**NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)**

STATEMENT OF OF THE BOARD OF MANAGEMENT

**STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE
COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Management of Nova Consumer Group Joint Stock Company (“the Company”) is responsible for preparing consolidated financial statements of the Company (formerly known as Anova Corporation) and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and the consolidated results of its operations; and its consolidated cash flows for the year ended. In preparing these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 67 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

For and on behalf of the Board of Management



Ton That De
General Director
Legal Representative

Ho Chi Minh City, SR Vietnam
1 March 2022





**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)**

We have audited the accompanying consolidated financial statements of Nova Consumer Group Joint Stock Company (formerly known as Anova Corporation) ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2021 and approved by the Board of Management on 1 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 67.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true 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 Board of 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.

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Auditor's Opinion


In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, its consolidated financial performance and consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited





Nguyen Hoang Nam
Audit Practising Licence No:
0849-2018-006-1
Authorised signatory

Report reference number: HCM11458
Ho Chi Minh City, 1 March 2022



Dang The Hoa
Audit Practising Licence No:
4068-2018-006-1



NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
100	CURRENT ASSETS		2,005,920,505,205	2,146,811,657,734
110	Cash and cash equivalents	4	257,311,245,913	235,016,878,603
111	Cash		137,834,409,336	151,086,867,963
112	Cash equivalents		119,476,836,577	83,930,010,640
120	Short-term investments		18,000,470,095	105,233,177,000
121	Trading securities		470,095	1,233,779,000
123	Investments held to maturity	5(a)	18,000,000,000	103,999,398,000
130	Short-term receivables		930,431,688,945	1,167,426,128,783
131	Short-term trade accounts receivable	6(a)	272,046,194,465	289,140,528,758
132	Short-term prepayments to suppliers	7	20,988,153,546	44,604,131,756
135	Short-term lending	8	20,000,000,000	316,536,344,000
136	Other short-term receivables	9(a)	628,069,728,300	536,250,383,799
137	Provision for doubtful debts – short-term	10	(10,672,387,366)	(19,270,603,760)
139	Shortage of assets awaiting resolution		-	165,344,230
140	Inventories	11	731,806,866,636	596,322,142,472
141	Inventories		733,841,969,597	600,900,531,609
149	Provision for decline in value of inventories		(2,035,102,961)	(4,578,389,137)
150	Other current assets		68,370,233,616	42,813,330,876
151	Short-term prepaid expenses	12(a)	52,483,799,967	24,103,945,742
152	Value Added Tax ("VAT") to be reclaimed	19(a)	1,654,121,216	2,721,084,041
153	Tax and other receivables from the State	19(a)	14,232,312,433	15,988,301,093

The notes on pages 10 to 67 are an integral part of these consolidated financial statements



NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2021 VND	2020 VND
200	LONG-TERM ASSETS		1,690,734,410,805	1,735,181,732,288
210	Long-term receivables		147,585,990,491	40,822,777,188
211	Long-term trade accounts receivable	6(b)	22,474,109,162	-
216	Other long-term receivables	9(b)	125,111,881,329	40,822,777,188
220	Fixed assets		1,005,137,090,633	987,483,749,455
221	Tangible fixed assets	13(a)	928,913,404,098	906,684,876,559
222	Historical cost		1,321,040,362,483	1,313,800,441,456
223	Accumulated depreciation		(392,126,958,385)	(407,115,564,897)
224	Finance lease fixed assets		-	2,740,833,334
225	Historical cost		-	3,795,000,000
226	Accumulated depreciation		-	(1,054,166,666)
227	Intangible fixed assets	13(b)	76,223,686,535	78,058,039,562
228	Historical cost		109,294,327,558	109,356,828,825
229	Accumulated amortisation		(33,070,641,023)	(31,298,789,263)
230	Investment properties held for leasing		3,448,130,329	27,513,408,610
231	Historical cost	14	4,491,753,311	29,227,672,736
232	Accumulated depreciation		(1,043,622,982)	(1,714,264,126)
240	Long-term assets in progress		88,782,188,572	53,673,616,935
242	Construction in progress	15	88,782,188,572	53,673,616,935
250	Long-term investments		166,380,326,800	352,016,553,207
252	Investments in associates	5(b)	98,257,042,022	169,893,268,429
253	Investments in other entities	5(c)	68,123,284,778	182,123,284,778
260	Other long-term assets		279,400,683,980	273,671,626,893
261	Long-term prepaid expenses	12(b)	167,040,571,898	170,888,745,075
262	Deferred income tax assets	24	5,687,540,599	6,012,885,876
269	Goodwill	16	106,672,571,483	96,769,995,942
270	TOTAL ASSETS		3,696,654,916,010	3,881,993,390,022

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.



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NOVA CONSUMER GROUP JOINT STOCK COMPANY
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Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
300	LIABILITIES		1,423,410,845,655	1,878,133,929,065
310	Short-term liabilities		1,097,977,727,974	1,174,650,929,603
311	Short-term trade accounts payable	17	315,390,099,045	253,336,543,455
312	Short-term advances from customers	18	33,414,076,517	18,684,236,977
313	Tax and other payables to the State	19(b)	10,325,328,352	12,133,243,779
314	Payables to employees		29,744,933,858	11,693,590,236
315	Short-term accrued expenses	20	45,095,782,834	36,564,235,706
319	Other short-term payables	21	6,685,867,161	55,564,810,737
320	Short-term borrowings and finance lease liabilities			
		22(a)	640,107,351,503	772,880,309,486
322	Bonus and welfare funds		17,214,288,704	13,793,959,227
330	Long-term liabilities		325,433,117,681	703,482,999,462
338	Long-term borrowings and finance lease liabilities			
		22(b)	298,505,726,856	159,710,908,148
339	Convertible bonds	23	-	515,743,048,238
341	Deferred income tax liabilities	24	22,049,177,145	22,049,177,145
342	Provision for long-term liabilities		4,878,213,680	5,979,865,931
400	OWNERS' EQUITY		2,273,244,070,355	2,003,859,460,957
410	Capital and reserves		2,273,244,070,355	2,003,859,460,957
411	Owners' capital	25, 26	1,088,843,250,000	473,410,190,000
411a	- Ordinary shares with voting rights		1,088,843,250,000	473,410,190,000
412	Share premium	26	65,438,580,276	643,649,200,000
413	Share conversion options on convertible bonds	26	-	37,222,440,276
414	Owners' other capital	26	(3,772,154,614)	(3,772,154,614)
418	Investment and development funds	26	68,357,308,543	66,722,736,727
421	Undistributed earnings	26	965,457,926,200	701,417,359,320
421a	- Undistributed post-tax profits of previous years		665,908,408,758	523,216,962,258
421b	- Post-tax profits of current year		299,549,517,442	178,200,397,062
429	Non-controlling interests	26	88,919,159,950	85,209,689,248
440	TOTAL RESOURCES		3,696,654,916,010	3,881,993,390,022


Le Thi Hong Thuy
Preparer/Chief Accountant




Ton That De
General Director
Legal representative
1 March 2022

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.



NOVA CONSUMER GROUP JOINT STOCK COMPANY
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Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	3,701,953,080,918	3,329,430,426,291
02	Less deductions	(198,314,356,106)	(217,475,104,039)
10	Net revenue from sales of goods and rendering of services	29 3,503,638,724,812	3,111,955,322,252
11	Cost of goods sold and services rendered	30 (2,996,943,069,019)	(2,441,387,951,977)
20	Gross profit from sales of goods and rendering of services	506,695,655,793	670,567,370,275
21	Financial income	31 293,323,946,658	64,442,623,069
22	Financial expenses	32 (100,063,316,100)	(119,101,614,033)
23	- Including: Interest expense	(80,787,779,211)	(96,387,132,638)
24	Profit sharing from associates	5(b) 27,738,928,974	9,380,102,348
25	Selling expenses	33 (152,758,616,528)	(149,599,557,376)
26	General and administration expenses	34 (204,814,555,595)	(207,010,802,813)
30	Net operating profit	370,122,043,202	268,678,121,470
31	Other income	3,558,477,278	1,981,549,656
32	Other expenses	(10,253,993,888)	(12,014,523,577)
40	Net other expenses	(6,695,516,610)	(10,032,973,921)
50	Net accounting profit before tax	363,426,526,592	258,645,147,549
51	Business income tax ("BIT") - current	35 (45,352,655,136)	(57,531,676,361)
52	BIT - deferred	35 (325,345,277)	(15,717,351,099)
60	Net profit after tax	317,748,526,179	185,396,120,089
	Attributable to:		
61	Owners of the Company	299,549,517,442	178,200,397,062
62	Non-controlling interests	18,199,008,737	7,195,723,027
70	Basic earnings per share	27(a) 2,751	1,466


Le Thi Hong Thuy
Preparer/Chief Accountant




Ton That De
General Director
Legal representative
1 March 2022

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.

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NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 03 – DN/HH

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		363,426,526,592	258,645,147,549
	Net accounting profit before tax		
	Adjustments for:		
02	Depreciation and amortisation	94,747,944,842	85,831,887,949
03	Reversal of provisions	(12,243,154,821)	(5,980,682,309)
04	Unrealised foreign exchange gains	(544,042,643)	(1,752,491,214)
05	Profits from investing activities	(304,365,975,786)	(28,378,423,993)
06	Interest expense	80,787,779,211	96,387,132,638
08	Operating profit before changes in working capital	221,809,077,395	404,752,570,620
09	Increase in receivables	(291,445,620,599)	(92,974,222,346)
10	(Increase)/decrease in inventories	(123,237,140,402)	47,097,742,070
11	Decrease in payables	(3,932,444,981)	(213,699,493,285)
12	Increase in prepaid expenses	(21,439,424,289)	(27,668,532,626)
13	Decrease in trading securities	1,233,308,905	-
14	Interest paid	(88,095,370,863)	(102,467,080,605)
15	BIT paid	(46,820,601,421)	(14,107,012,176)
17	Other payments on operating activities	(32,261,042,621)	(55,084,245,948)
20	Net cash outflows from operating activities	(384,189,258,876)	(54,150,274,296)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(39,298,247,324)	(9,657,030,744)
22	Proceeds from disposals of fixed assets	2,918,940,644	426,465,056
23	Loans granted	(76,820,000,000)	(366,546,282,548)
24	Collection of loans	456,825,073,095	320,791,414,815
25	Investment in subsidiaries and associates	(192,636,653,852)	(31,700,000,000)
26	Proceeds from divestment in other entities	601,726,467,164	67,898,710,000
27	Profits and interest received	58,862,203,060	30,341,722,306
30	Net cash inflows from investing activities	811,577,782,787	11,554,998,885
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	3,419,640,066,531	2,330,021,305,965
34	Repayments of borrowings	(3,814,175,909,172)	(2,287,902,382,725)
36	Dividends paid to shareholders	(10,560,548,804)	(12,192,113,880)
40	Net cash (outflows)/inflows from financing activities	(405,096,391,445)	29,926,809,360
50	Net increase/(decrease) in cash and cash equivalents	22,292,132,466	(12,668,466,051)
60	Cash and cash equivalents at beginning of year	235,016,878,603	247,694,502,242
61	Effect of foreign exchange differences	2,234,844	(9,157,588)
70	Cash and cash equivalents at end of year	257,311,245,913	235,016,878,603


Le Thi Hong Thuy
Preparer/Chief Accountant


Ton That De
General Director
Legal representative
1 March 2022

The notes on pages 10 to 67 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

Nova Consumer Group Joint Stock Company (formerly known as Anova Corporation) ("the Company") is a joint stock company established in SR Vietnam pursuant to enterprise registration certificate No. 0301447257 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 19 November 2004 and the 27th amendment dated 22 July 2021.

Pursuant to the enterprise registration certificate No. 0301447257 and its 25th amendment dated 30 June 2021, the Company's name was changed to Nova Consumer Group Joint Stock Company from 30 June 2021.

The principal business activities of the Company and its subsidiaries (together, "the Group") are to provide management consulting (except for financial, accounting and legal advisory services); manufacturing and trading veterinary medicines, aquatic drugs and antiseptic; trading veterinary vaccines; manufacturing, trading and processing animal and aquatic feeds, processing alcohol and CO2 products, wholesale trading business of agricultural products.

The normal business cycle of the Group is within 12 months.

As at 31 December 2021, the Group had 1,451 employees (as at 31 December 2020: 1,286 employees).

As at 31 December 2021, the Group had 11 subsidiaries and 2 associates (as at 31 December 2020: 14 subsidiaries and 4 associates). The details are as below:

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NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

No.	Name	Principal activities	Location	31.12.2021		31.12.2020	
				Ownership %	Voting rights %	Ownership %	Voting rights %
I. Subsidiaries							
1	Anova Feed Joint Stock Company	Manufacturing animal, poultry and aquatic feeds	Long An Province	99.99	99.99	99.99	99.99
2	Anova Biotech Joint Stock Company	Trading veterinary drugs, veterinary vaccines; biological products	Ho Chi Minh City	99.80	99.80	99.80	99.80
3	Anova Farm Joint Stock Company	Wholesale agricultural and forestry raw materials	Ho Chi Minh City	99.80	99.80	99.80	99.80
4	Anova Pharma Joint Stock Company	Manufacturing veterinary medicines and animal feeds	Long An Province	99.67	99.67	99.67	99.67
5	Thanh Nhon Corporation	Trading veterinary medicines and raw material for animal feeds	Ho Chi Minh City	98.67	98.67	98.67	98.67
6	Vietnam Sugarcane and Sugar Corporation Joint Stock Company (Note 3.3)	Processing alcohol and CO2 products, wholesale trade business of agricultural products	Ho Chi Minh City	94.96	94.96	92.96	92.96
7	Anova Agri Binh Duong Joint Stock Company (Note 3.1)	Trading sugar and honey; rental services for premises, factories, warehouses and yards; industrial plant, growing dairy cow	Binh Duong Province	87.98	92.65	45.13	48.55
8	Lang Ba Lua One Member Corporation Limited (Note 3.1)	Trading real estates, land use rights belonging to owners, users or renters	Binh Duong Province	87.98	92.65	-	-
9	Anova Tech Corporation	Trading veterinary medicine, aquatic medicine	Ha Noi City	85.83	85.83	85.83	85.83
10	Anova Joint Venture Company Limited	Producing food supplements in animal; medicine for prevention and treatment of diseases for veterinary and aquatic	Binh Duong Province	57.00	57.00	57.00	57.00
11	Anova Thabico Joint Stock Company	Processing and preserving fruit and vegetables	Dong Thap Province	50.00	50.00	50.00	50.00
12	Anova Safe Food Corporation (Note 3.4)	Trading agricultural, forestry raw materials, beverage and live animals	Ho Chi Minh City	-	-	99.80	99.80
13	Anova Port Industrial Joint Stock Company (Note 3.4)	Trading real estates, land use rights belonging to owners, users or renters	Ho Chi Minh City	-	-	99.80	99.80
14	Anova Trade Corporation (Note 3.4)	Trading raw materials for animal and aquatic feeds, agricultural products	Ho Chi Minh City	-	-	99.80	99.80
15	Anova Port Zone Joint Stock Company (Note 3.4)	Offices, factories and warehouses leasing services	Long An Province	-	-	89.00	89.00
16	La Nga Sugar Cane and Sugar Joint Stock Company (Note 3.2 and 3.4)	Manufacturing and trading types of sugar, organic microbial fertilizers	Dong Nai Province	-	-	84.35	90.74



NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

No.	Name	Principal activities	Location	31.12.2021		31.12.2020	
				Ownership %	Voting rights %	Ownership %	Voting rights %
II. Associates							
1	Bio Pharmachemie Joint Venture Company	Manufacturing veterinary medicines, antiseptic drugs for the livestock industry	Ho Chi Minh City	30.01	30.01	30.01	30.01
2	VETVACO National Veterinary Joint Stock Company	Production and trading of veterinary drugs, import and export of veterinary drugs	Ha Noi City	23.84	23.84	23.51	23.51
3	Sai Gon Distribution Trading Corporation (*)	Trading veterinary medicines, veterinary vaccines, aquatic veterinary medicines	Ho Chi Minh City	-	-	49.90	49.90
4	Anova Agri Binh Duong Joint Stock Company (Note 3.1)	Trading sugar and honey, rental services for premises, factories, warehouses and yards; industrial plant, growing dairy cow	Binh Duong Province	-	-	45.13	48.55

(*) On 15 December 2021, Sai Gon Distribution Trading Corporation was no longer an associate of the Group (Note 5(b)).



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention except for investments in associates and joint ventures, and business combinations as presented in Note 2.5.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows of the Group in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The consolidated financial statements in the Vietnamese language are the official statutory financial statements of the Company. The consolidated financial statements in the English language have been translated from the Vietnamese.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December. The consolidated financial statements are prepared for the year from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND"). The Group determines their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labor, materials and other production or operating costs and normally used as payments for those costs.

Additionally, the Group also uses these currencies to raise financial resources (such as via issuance of shares or bonds) and/or regularly collect these currencies from business operations and savings.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank with which the Group regularly trades. Foreign currencies deposited in banks at the consolidated balance sheet date are translated at the buying exchange rate of the bank where the Group opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the Group's subsidiaries are prepared for the same accounting period. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between periods.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation (continued)

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with parties external to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Group's interest in a subsidiary that does not result in loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of Group's interest in subsidiaries is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in an other entity or investment to be equity accounted for since the divestment date.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of associates is included in the carrying amount of the investment at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investment in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment is higher than the annual goodwill charge, the Group records the impairment immediately in the year.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.8 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into short-term and long-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

For the agricultural industry, production and work in progress costs are used to aggregate the total production costs and calculate the product costs of farming activities, processing agricultural products or services, are accounted in detail by agribusiness (cultivation, livestock, processing...), by location where costs are incurred (plant, production teams...), details for each type of seedlings and each type of product, each product or service. As for the cost of livestock, it is accounted in detail for each type of livestock production (such as cow raising, pig raising, chicken raising...), by group or each type of cattle and poultry.

The Group applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

2.10 Investments

(a) Trading securities

Trading securities are securities, which are held by the Group for business purpose and are mainly held for trading to earn profits.

Trading securities are initially recorded at historical cost; including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their carrying value is higher than their market value. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

The Group recognises trading securities when it has ownership of the assets, specifically as follows:

- Listed securities are recognised at the time of order matching; and
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recognised in the consolidated income statement. The costs of trading securities disposed are determined by using the moving weighted average method.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Investments (continued)

(b) Investments held-to-maturity

Investments held-to-maturity are investments which the Group has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits, bonds, lendings held to maturity for interest earning, and other investments held-to-maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

(c) Investments in associates

Investments in associates are presented using the equity method in the consolidated financial statements (Note 2.5)

(d) Investments in other entities

Investments in other entities are investment in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the period end. For other investments, provision for diminution in value is made when the entities make losses. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Lendings

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lendings are classified into short-term and long-term lending on the consolidated balance sheet based on the remaining term as at the consolidated balance sheet date.

2.12 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Land use rights	50 years
Buildings and structures	5 - 52 years
Machinery and equipment	3 - 10 years
Motor vehicles	2 - 10 years
Office equipment	2 - 8 years
Perennial plants and livestock	4 - 16 years
Software	3 - 10 years
Others	3 - 5 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the consolidated income statement.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Fixed assets (continued)

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and comprise of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction cost of building, factory and directly related expenses in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.13 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased assets or the present value of the minimum lease payments. Each lease payment is separated between the liability and finance charges to achieve a constant rate on the outstanding finance/lease balance. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the consolidated income statement over the lease term. The property, plant and equipment acquired under finance leasing contracts are depreciated on a straight-line basis over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

2.14 Investment property held for lease

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of another consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment property can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Amortisation

Investment properties are amortised on a straight-line basis to write off the historical cost of the assets over their estimated useful lives. The estimated useful live of the investment property is as follows:

Land use rights	50 years
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Land use rights with indefinite useful life are recorded at historical cost and are not amortised.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Investment property held for lease (continued)

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of investment properties and are recognised as income or expense in the consolidated income statement.

2.15 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. For agriculture, livestock which are not eligible for fixed assets will be classified as prepaid expenses.

Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.16 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables including non-trade payables and payables not relating to purchase of goods and services.

Payables are classified into short-term and long-term payables on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2.17 Borrowings and finance lease

Borrowings and finance lease include borrowings from banks, financial institutions and other entities.

Borrowings and finance lease are classified into long-term and short-term borrowings and finance lease liabilities on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings a portion of which used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.20 Provisions for severance allowance

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting year, on the basis that a half of an average monthly salary per each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the year prior to the consolidated balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.





2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Convertible bonds

Convertible bonds are bonds that may be converted into common shares of the Group under the conditions identified in the bond issuance scheme.

Upon initial recognition, the Group calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recorded as a liability; equity component (share options) of convertible bonds is recorded as an owner's equity item. Subsequently, the Group periodically records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted to the bond's liability component and allocated to financial expenses/capitalised on a straight-line basis.

At maturity, the equity component which are share option is transferred to the share premium account regardless whether the bond holder exercised the option or not.

2.22 Capital

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares.

Share conversion options on bonds represent the value of the equity component of the convertible bonds at the reporting date, which is determined as the difference between the total proceeds from the issuance of convertible bonds and value of the debt component of the convertible bond. At initial recognition, the value of share conversion options is recognized separately in equity. At bond maturity, the option value is transferred to be recognized as share premium.

Owners' other capital represents other capital held by the owners at the reporting date.

Undistributed earnings record the Group's results after BIT at the reporting date.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Appropriation of profit

The Group's dividends are recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Group's General Meeting of shareholders.

Net profit after BIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations.

The Group's funds are as below:

(a) Investment and development fund

The Investment and development fund is appropriated from profit after BIT of the Group and approved by shareholders in the General Meeting of shareholders.

(b) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's profit after BIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the consolidated balance sheet.

2.24 Revenue recognition

(a) Revenue from sales of goods

Revenue from sale of goods is recognised in the consolidated income statement when all five (5) of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. If the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the consolidated income statement.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue recognition (continued)

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Group has established the receiving right from investees.

2.25 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that year.

Sales deductions for sales of products, goods or rendering of services which are sold in the year but are incurred after the consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the year.

2.26 Cost of goods sold and services rendered

Cost of goods sold and cost of services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

2.27 Financial expenses

Finance expenses are expenses incurred in the year for financial activities including interest expenses, expenses from borrowing activities and bond issuance, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.





2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Selling expenses

Selling expenses represent expenses that are incurred in process of selling products, goods and providing services.

2.29 General and administration expenses

General and administration expenses represent expenses for administrative purposes of the Group.

2.30 Current and deferred income tax

Income taxes includes all income tax which is based on taxable profits including profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.31 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Group considers the substance of the relationship not merely the legal form.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services ("business segment"), or providing products or services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

2.33 Accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.12, Note 13 and 14); and
- Estimation of provision (Note 2.19, Note 10 and 11).

Such estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that may have a significant impact on the Group's consolidated financial statements and that are assessed to be reasonable the Board of Management.

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NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

Form B 09 – DN/HN

3 BUSINESS COMBINATION AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS (“NCI”)

3.1 Acquisition of a group of companies: Anova Agri Binh Duong Joint Stock Company (“Agri Binh Duong”) and Lang Ba Lua One Member Corporation Limited (“Lang Ba Lua”)

According to the transfer agreement on 30 June 2021, Vietnam Sugarcane and Sugar Corporation Joint Stock Company, an existing subsidiary of the Group, completed the additional acquisition of 44.1% interest in Agri Binh Duong. Through this acquisition, the Group’s interest increased from 45.13% to 87.98% and controlled Agri Binh Duong. The Group also controlled Lang Ba Lua because Agri Binh Duong held 100% interest in Lang Ba Lua.

This business combination impacts to the net assets of the Group at the acquisition date as follows:

	Fair values recognised at acquisition date VND
Assets	
Cash	84,484,097
Short-term receivables	105,918,108,424
Inventories	31,221,800,917
Tangible assets	127,668,628,204
Other assets	11,690,772,540
	276,583,794,182
Liabilities	
Short-term accrued expenses	50,378,629,691
Short-term borrowings	30,750,000,000
Long-term borrowings	49,696,000,000
Other liabilities	12,960,982,572
	143,785,612,263
Total identifiable net assets	132,798,181,919
Goodwill	111,317,190,530
Non-controlling interests	(4,871,211,285)
	239,366,661,164
Purchase consideration transferred	239,366,661,164
First consideration which was measured at equity method at the control date	71,228,775,449
Revaluation of the investments in associate at the acquisition date (Note 31)	54,142,245,615
Second consideration at the acquisition date	113,873,140,100
Cash acquired	(84,484,097)
Accumulated profit after tax shared from associate	7,281,888,084
	192,299,319,536



3 BUSINESS COMBINATION AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS (continued)

3.2 Additional capital contribution resulting in change the ownership rate of La Nga Sugar Cane and Sugar Joint Stock Company (“La Nga”), an existing subsidiary.

On January 2021, Vietnam Sugarcane and Sugar Corporation Joint Stock Company, an existing subsidiary, contributed additional capital to La Nga. This transaction changed the ownership rate in La Nga and increased the Group's interest to 84.66%. The book value of equity was reduced by VND 391,625,595 which was recorded as a decrease in profit after tax in equity (Note 26).

3.3 Additional capital contribution resulting in change the ownership rate of Vietnam Sugarcane and Sugar Corporation Joint Stock Company (“Sugarcane II”), an existing subsidiary.

On 30 June 2021, Nova Consumer Group Joint Stock Company contributed additional capital to Sugarcane II. This transaction changed the ownership rate in Sugarcane II and increased the Group's interest rate to 94.96%. The book value of equity was reduced by VND10,148,053,062 which was recorded as a decrease in profit after tax in equity (Note 26).

3.4 Disposal of subsidiaries

(a) Disposal of Anova Port Industrial Joint Stock Company (“Anova Port Industrial”)

According to the share transfer agreement dated 30 June 2021, the Group disposed the entire equity interest in Anova Port Industrial, an existing subsidiary, with a total consideration of VND90,000,000. The gain of VND17,216,475 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).

(b) Disposal of Anova Port Zone Joint Stock Company (“Anova Port Zone”)

According to the share transfer agreement dated 23 September 2021, the Group disposed the entire equity interest in Anova Port Zone, an existing subsidiary, with a total consideration of VND99,726,990,000. The gain of VND24,527,975,134 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).

(c) Disposal of Anova Trade Corporation (“Anova Trade”)

According to the share transfer agreement dated 23 September 2021, the Group disposed the entire equity interest in Anova Trade, an existing subsidiary, with a total consideration of VND44,910,000,000. The gain of VND11,917,215,328 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).

(d) Disposal of Anova Safe Food Corporation (“Anova Safe Food”)

According to the share transfer agreement dated 23 September 2021, the Group disposed the entire equity interest in Anova Safe Food, an existing subsidiary with a total consideration of VND125,962,980,000. The loss of VND229,845,052 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).



NOVA CONSUMER GROUP JOINT STOCK COMPANY
(Formerly known as Anova Corporation)

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3 BUSINESS COMBINATION AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS (continued)

3.4 Disposal (continued)

(e) Disposal of La Nga Sugar Cane and Sugar Joint Stock Company (“La Nga”)

According to the share transfer agreement in September 2021, the Group disposed the entire equity interest in La Nga, an existing subsidiary with a total consideration of VND217,075,760,201. The gain of VND141,316,998,326 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).

4 CASH AND CASH EQUIVALENTS

	2021 VND	2020 VND
Cash on hand	55,662,275,905	105,911,826,070
Cash in bank	82,172,133,431	45,175,041,893
Cash equivalents (*)	119,476,836,577	83,930,010,640
	<u>257,311,245,913</u>	<u>235,016,878,603</u>

(*) Cash equivalents were term deposit at banks with an original maturity of 3 months or less and earned the interest rate ranging from 0.24% per annum to 4.35% per annum (as at 31 December 2020: from 0.3% per annum to 4% per annum).

5 INVESTMENTS

(a) Investments held-to-maturity

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	18,000,000,000	18,000,000,000	72,299,398,000	72,299,398,000
Bonds	-	-	31,700,000,000	31,700,000,000
	<u>18,000,000,000</u>	<u>18,000,000,000</u>	<u>103,999,398,000</u>	<u>103,999,398,000</u>

(*) Term deposits included bank deposits in Vietnamese Dong with the original maturity of more than three months and not exceeding twelve months, and earned the interest rates ranging from 4.6% per annum to 6.5% per annum (as at 31 December 2020: from 3.7% per annum to 9.05% per annum).



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5 INVESTMENTS (continued)

(b) Investments in associates

Name	2021			2020			
	Ownership and voting rights %	Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND	Fair value VND
Bio-Pharmachemie Joint Venture Company VETVACO National Veterinary Joint Stock Company (**)	30.01	66,900,313,714	(*)	-	30.01	60,208,710,031	(*)
Sai Gon Distribution Trading Corporation (***)	23.84	31,356,728,308	18,884,800,000	-	23.51	28,396,505,104	24,542,700,000
Anova Agri Binh Duong Joint Stock Company (****)	-	-	-	-	49.90	2,777,389,761	(*)
	-	-	-	-	45.13	78,510,663,533	(*)
		<u>98,257,042,022</u>				<u>169,893,268,429</u>	

(*) As at 31 December 2021 and 31 December 2020, the Group was unable to determine the fair value of these investments to disclose on the consolidated financial statements because they did not have listed prices. The fair value of such investments may be different from their book value.

(**) Fair value is calculated based on the closing price of the latest trading day before or as at 31 December 2021 and 31 December 2020 of these shares on The Unlisted Public Company Market (UPCoM).

(***) According to the meeting minute dated 15 December 2021, the General Meeting of Shareholders of Sai Gon Distribution Trading Corporation have approved the final settlement of the company's dissolution and decided to return the contributed capital to shareholders.

(****) According to transfer contract dated 30 June 2021, Vietnam Sugarcane and Sugar Corporation Joint stock Company, an existing subsidiary, acquired an additional 44.1% equity interest at Anova Agri Binh Duong Joint Stock Company ("Agri Binh Duong"). This transaction has made the ownership rate at Agri Binh Duong Corporation increased from 45.13% to 87.98% and took control of Agri Binh Duong.



5 INVESTMENTS (continued)

(b) Investments in associates (continued)

Movements of the investments in associates during the year are as follows:

	2021	2020
	VND	VND
Beginning of year	169,893,268,429	116,222,918,408
Profit sharing from associates	27,738,928,974	9,380,102,348
Additional capital contribution	337,334,316	82,441,565,103
Dividends received	(25,707,554,103)	(21,223,329,797)
Reclassify to subsidiary	(71,228,775,448)	-
Transfer to subsidiary	(2,776,160,146)	(16,927,987,633)
	<hr/>	<hr/>
End of year	<u>98,257,042,022</u>	<u>169,893,268,429</u>



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5 INVESTMENTS (continued)

(c) Investments in other entities

Name	2021				2020			
	Ownership and voting rights %	Cost VND	Fair value VND	Provision VND	Ownership and voting rights %	Cost VND	Fair value VND	Provision VND
Navetco National Veterinary Joint Stock Company (*) Vietnam Sugarcane and Sugar Corporation Joint Stock Company Dai Phu My Joint Stock Company (***)	12.18 7.96 -	33,530,784,778	161,607,829,900	-	12.18	33,530,784,778	128,662,446,000	-
		34,592,500,000	(**)	-	7.96	34,592,500,000	(**)	-
		-	-	-	19.00	114,000,000,000	(**)	-
		68,123,284,778	-	-		182,123,284,778	-	-

(*) Fair value is calculated based on the closing price of the latest trading day before or as at 31 December 2021 and 31 December 2020 of these shares on The Unlisted Public Company Market (UPCoM).

(**) As at 31 December 2021 and 31 December 2020, the Group was unable to determine the fair value of this investment to disclose on the consolidated financial statements because it does not have listed price. The fair value of such investments may be different from their book value.

(***) According to the transfer agreement dated 25 June 2021, the Company disposed the entire equity interest in Dai Phu My Joint Stock Company with a total consideration of VND14,500,000,000. The gain of VND500,000,000 is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 31).



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6 TRADE ACCOUNTS RECEIVABLE

a) Short-term

	2021 VND	2020 VND
Third parties (*)	256,289,657,410	272,746,888,677
Related parties (Note 38(b))	15,756,537,055	16,393,640,081
	<u>272,046,194,465</u>	<u>289,140,528,758</u>

As at 31 December 2021 and 31 December 2020, there was no balance of customers that was over 10% of the total balance of short-term trade accounts receivable.

As at 31 December 2021 and 31 December 2020, certain rights of debt collection were pledged for short-term borrowings granted to the Group (Note 22).

b) Long-term

	2021 VND	2020 VND
Third parties		
Vo Thanh Phong Chicken Farm	22,474,109,162	-
	<u>22,474,109,162</u>	<u>-</u>

As at 31 December 2021 and 31 December 2020, details of short-term trade accounts receivable which were past due and their provision are presented in Note 10.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2021 VND	2020 VND
Third parties		
International Agricultural Products		
Export Import Trading Co.,Ltd.	2,133,699,200	2,733,699,200
Others	18,854,454,346	41,870,432,556
	<u>20,988,153,546</u>	<u>44,604,131,756</u>

As at 31 December 2021 and 31 December 2020, details of short-term prepayments to suppliers which were past due and their provision are presented in Note 10.



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8 SHORT-TERM LENDINGS

	2021 VND	2020 VND
Third parties	20,000,000,000	271,036,344,000
Related parties (Note 38(b))	-	45,500,000,000
	<u>20,000,000,000</u>	<u>316,536,344,000</u>

As at 31 December 2021, the balance of short-term lending represented unsecured lending and earned the interest rate of 6.1% per annum (as at 31 December 2020: from 6.1% per annum to 6.5% per annum).

As at 31 December 2021 and 31 December 2020, there was no balance of short-term lending that was past due or not past due but doubtful.

9 OTHER RECEIVABLES

(a) Short-term

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Related parties (Note 38(b))	9,623,007,432	-	14,541,720,211	-
Deposits (*)	388,892,478,000	-	214,198,075,452	
Advances (**)	139,643,000,971	-	217,953,288,219	
Interest receivable from lending and term deposits	77,004,704,313	-	68,670,552,246	
Others	12,906,537,584	(2,884,743,596)	20,886,747,671	(2,884,743,596)
	<u>628,069,728,300</u>	<u>(2,884,743,596)</u>	<u>536,250,383,799</u>	<u>(2,884,743,596)</u>

(*) As at 31 December 2021, the balance mainly represented deposits to the third parties for the purpose of share purchase in certain companies and project investment. These deposits will be classified as investment when the deal is completed.

(**) These advances are mainly advances to employees for purchasing raw materials and some other business activities of the Group .

(b) Long-term

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits	125,111,881,329	-	40,307,777,188	-
Others	-	-	515,000,000	-
	<u>125,111,881,329</u>	<u>-</u>	<u>40,822,777,188</u>	<u>-</u>



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10 PROVISION FOR DOUBTFUL DEBTS

	2021			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Receivables that were past due				
Topcake Company Limited	3,197,700,000	499,950,000	2,697,750,000	From 2 to 3 years
Farm Linh Cuong	2,884,743,596	-	2,884,743,596	Above 2 years
International Agricultural Import and Export Trading Co., Ltd.	2,133,699,200	-	2,133,699,200	Above 3 years
Vietnam Veterinary Products Joint Stock Company	1,829,827,064	-	1,829,827,064	Above 3 years
Others	1,357,847,048	231,479,542	1,126,367,506	Above 6 months
	<u>11,403,816,908</u>	<u>731,429,542</u>	<u>10,672,387,366</u>	
	2020			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Receivables that were past due				
Topcake Company Limited	12,066,942,000	4,999,066,600	7,067,875,400	Above 2 years
Farm Linh Cuong	2,884,743,596	-	2,884,743,596	Above 1 year
International Agricultural Import and Export Trading Co., Ltd.	2,733,699,200	-	2,733,699,200	Above 3 years
Vietnam Veterinary Products Joint Stock Company	2,179,827,064	-	2,179,827,064	Above 3 years
Others	5,812,267,628	1,407,809,128	4,404,458,500	Above 6 months
	<u>25,677,479,488</u>	<u>6,406,875,728</u>	<u>19,270,603,760</u>	



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11 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	22,169,763,508	-	57,061,796,020	-
Raw materials	273,975,565,536	(352,989,953)	208,643,888,818	(462,762,975)
Tools and supplies	9,217,050,155	-	30,424,397,083	-
Work in progress	196,994,841,183	-	115,248,373,420	-
Finished goods	43,857,054,407	(506,690,626)	29,746,657,248	(665,848,001)
Merchandises	187,627,694,808	(1,175,422,382)	153,802,611,965	(3,449,778,161)
	<u>733,841,969,597</u>	<u>(2,035,102,961)</u>	<u>600,900,531,609</u>	<u>(4,578,389,137)</u>

As at 31 December 2021 and 31 December 2020, some inventories were pledged for short-term borrowings granted to the Group (Note 22).

Movements in the provision of decline in value of inventories during the year were as follows:

	2021 VND	2020 VND
Beginning of year	4,578,389,137	2,649,444,740
(Reversal)/increase during the year (Note 30)	(2,543,286,176)	1,928,944,397
End of year	<u>2,035,102,961</u>	<u>4,578,389,137</u>

12 PREPAID EXPENSES

(a) Short-term

	2021 VND	2020 VND
Livestock	44,035,379,640	12,368,417,076
Tools, supplies	369,379,976	3,883,200,469
Others	8,079,040,351	7,852,328,197
	<u>52,483,799,967</u>	<u>24,103,945,742</u>



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12 PREPAID EXPENSES (continued)

(b) Long-term

	2021	2020
	VND	VND
Land rentals	61,632,762,544	63,516,926,424
Livestock	51,421,324,989	51,261,491,786
Repair and maintenance	44,010,687,525	47,209,844,138
Others	9,975,796,840	8,900,482,727
	<u>167,040,571,898</u>	<u>170,888,745,075</u>

Movements in long-term prepaid expenses during the year were as follows:

	2021	2020
	VND	VND
Beginning of year	170,888,745,075	155,661,915,052
Increase	57,904,044,150	98,911,527,714
Allocation	(55,150,065,671)	(74,710,846,353)
Other decreases	(6,602,151,656)	(8,973,851,338)
End of year	<u>167,040,571,898</u>	<u>170,888,745,075</u>



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13 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Perennial plants and livestock VND	Other fixed assets VND	Total VND
Historical cost							
As at 1 January 2021	553,169,361,514	672,792,539,340	52,974,756,141	30,290,593,231	-	4,573,191,230	1,313,800,441,456
Increase from acquisition of subsidiaries	81,872,017,224	29,354,975,902	17,053,037,209	-	50,886,814,975	759,003,000	179,925,848,310
Transfers from inventories	-	-	-	-	10,059,802,516	-	10,059,802,516
New purchases	8,305,000	5,493,077,200	1,208,911,364	638,835,000	-	159,563,250	7,508,691,814
Disposals	-	(3,100,659,091)	(710,842,126)	(983,841,044)	(11,660,084,006)	-	(16,455,426,267)
Decrease from divestment of subsidiaries	(32,344,531,131)	(134,647,662,249)	(6,384,841,966)	(331,960,000)	-	(90,000,000)	(173,798,995,346)
As at 31 December 2021	602,705,152,607	569,892,271,102	64,141,020,622	29,613,627,187	49,286,533,485	5,401,757,480	1,321,040,362,483
Accumulated depreciation							
As at 1 January 2021	122,191,001,004	239,011,702,652	30,079,440,193	13,027,594,330	-	2,805,826,718	407,115,564,897
Charge for the year	24,391,265,394	38,476,314,133	4,681,220,884	3,824,870,709	4,714,135,621	323,993,839	76,411,800,580
Increase from acquisition of subsidiaries	19,518,487,945	7,520,640,035	7,594,133,159	-	17,233,517,388	390,441,579	52,257,220,106
Disposals	-	(1,513,057,145)	(718,162,611)	(983,841,044)	(4,079,683,837)	-	(7,294,744,637)
Decrease from divestment of subsidiaries	(22,653,507,103)	(107,569,096,978)	(5,765,818,481)	(331,960,000)	-	(42,499,999)	(136,362,882,561)
As at 31 December 2021	143,447,247,240	175,926,502,697	35,870,813,144	15,536,663,995	17,867,969,172	3,477,762,137	392,126,958,385
Net book value							
As at 1 January 2021	430,978,360,510	433,780,836,688	22,895,315,948	17,262,998,901	-	1,767,364,512	906,684,876,559
As at 31 December 2021	459,257,905,367	393,965,768,405	28,270,207,478	14,076,963,192	31,418,564,313	1,923,995,343	928,913,404,098

As at 31 December 2021, historical cost of fully depreciated tangible fixed assets but still in use was VND54,485,039,325 (as at 31 December 2020: VND135,395,887,105).

As at 31 December 2021, tangible fixed assets with a carrying value of VND681,458,274,871 (as at 31 December 2020: VND268,711,907,327) were pledged to banks as collateral/mortgaged assets for borrowings granted (Note 22).



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13	FIXED ASSETS (continued)	Land use rights VND	Software VND	Others VND	Total VND
(b)	Intangible fixed assets				
	Historical cost				
	As at 1 January 2021	93,733,891,795	15,136,213,708	486,723,322	109,356,828,825
	New purchases	-	546,856,600	-	546,856,600
	Decrease from divestment of subsidiaries	(77,180,000)	(45,454,545)	(486,723,322)	(609,357,867)
	As at 31 December 2021	<u>93,656,711,795</u>	<u>15,637,615,763</u>	<u>-</u>	<u>109,294,327,558</u>
	Accumulated amortisation				
	As at 1 January 2021	15,887,691,089	14,924,374,852	486,723,322	31,298,789,263
	Charge for the year	2,209,096,447	172,113,180	-	2,381,209,627
	Decrease from divestment of subsidiaries	(77,180,000)	(45,454,545)	(486,723,322)	(609,357,867)
	As at 31 December 2021	<u>18,019,607,536</u>	<u>15,051,033,487</u>	<u>-</u>	<u>33,070,641,023</u>
	Net book value				
	As at 1 January 2021	<u>77,846,200,706</u>	<u>211,838,856</u>	<u>-</u>	<u>78,058,039,562</u>
	As at 31 December 2021	<u>75,637,104,259</u>	<u>586,582,276</u>	<u>-</u>	<u>76,223,686,535</u>

As at 31 December 2021, historical cost of fully amortised intangible fixed assets but still in use was VND2,492,032,461 (as at 31 December 2020: VND2,500,337,461).

As at 31 December 2021, intangible fixed assets with a carrying value of VND19,392,751,184 (as at 31 December 2020: VND77,846,200,706) were pledged to banks as collateral assets for borrowings granted (Note 22).



14 INVESTMENT PROPERTIES HELD FOR LEASING

	Land use rights VND
Historical cost	
As at 1 January 2021	29,227,672,736
Decrease from divestment of subsidiaries	(24,735,919,425)
As at 31 December 2021	<u>4,491,753,311</u>
Accumulated depreciation	
As at 1 January 2021	1,714,264,126
Charge for the year	100,187,806
Decrease from divestment of subsidiaries	(770,828,950)
As at 31 December 2021	<u>1,043,622,982</u>
Net book value	
As at 1 January 2021	<u>27,513,408,610</u>
As at 31 December 2021	<u><u>3,448,130,329</u></u>

As at 31 December 2021, the balance of investment property was pledged as collaterals for the Group's borrowings amounting to VND3,448,130,329 (as at 31 December 2020: VND3,548,318,135) (Note 22).

15 CONSTRUCTION IN PROGRESS

	2021 VND	2020 VND
Production line expansion in Long An	43,589,445,300	34,288,445,300
Phu Yen diet sugar factory	20,613,671,635	19,385,171,635
Others	24,579,071,637	-
	<u>88,782,188,572</u>	<u>53,673,616,935</u>



15 CONSTRUCTION IN PROGRESS (continued)

Movements in construction in progress during the year are as follows:

	2021 VND	2020 VND
Beginning of year	53,673,616,935	66,648,800,810
Purchase	31,242,698,910	1,602,934,242
Increase from acquisition of subsidiaries	3,865,872,727	-
Transfers to tangible fixed assets	-	(7,384,077,591)
Other decrease	-	(7,194,040,526)
	<u>88,782,188,572</u>	<u>53,673,616,935</u>

16 GOODWILL

	2021 VND	2020 VND
Beginning of year	96,769,995,942	110,136,980,210
Increase from acquisition of subsidiaries (Note 3.1)	111,317,190,530	72,554,736
Allocation	(15,854,746,829)	(13,439,539,004)
Decrease from divestment of subsidiaries	(85,559,868,160)	-
	<u>106,672,571,483</u>	<u>96,769,995,942</u>

17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
COFCO International				
Singapore Pte Ltd	59,434,547,887	59,434,547,887	59,434,547,887	59,434,547,887
Enerfo Pte Ltd	34,728,511,571	34,728,511,571	52,899,501,140	52,899,501,140
Others	203,567,664,094	203,567,664,094	136,528,186,486	136,528,186,486
Related parties (Note 38(b))	17,659,375,493	17,659,375,493	4,474,307,942	4,474,307,942
	<u>315,390,099,045</u>	<u>315,390,099,045</u>	<u>253,336,543,455</u>	<u>253,336,543,455</u>



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18 SHORT-TERM ADVANCES FROM CUSTOMERS

	2021 VND	2020 VND
Third parties		
Kim Ha Viet Co., Ltd.	19,102,925,000	1,720,675,000
Dai Phu My Joint Stock Company	5,793,841,000	-
Others	8,517,310,517	16,963,561,977
	<u>33,414,076,517</u>	<u>18,684,236,977</u>



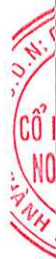
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19 TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the yearwere as follows:

	As at 1.1.2021	(Receivable)/ payable during the year	Netoff/ reclassification during the year	Payment during the year	Increase from acquisition of subsidiaries	Decrease from divestment of subsidiaries	As at 31.12.2021
	VND	VND	VND	VND	VND	VND	VND
a) Tax receivables							
BIT - current	(11,669,796,451)	7,460,110,002	(466,646,916)	(12,712,664,037)	(646,563,096)	3,803,248,065	(14,232,312,433)
VAT to be reclaimed	(5,051,972,925)	(62,191,234,058)	65,808,231,016	-	(227,056,541)	7,911,292	(1,654,121,216)
Personal income tax ("PIT")	(1,628,748,283)	5,262,055,774	(304,153,539)	(3,329,153,952)	-	-	-
Others	(358,867,475)	14,185,386,210	-	(13,832,652,090)	-	6,133,355	-
	(18,709,385,134)	(35,283,682,072)	65,037,430,561	(29,874,470,079)	(873,619,637)	3,817,292,712	(15,886,433,649)
b) Tax payables							
BIT - current	9,366,601,098	32,329,294,249	466,646,916	(34,107,937,384)	-	(754,509,015)	7,300,095,864
PIT	857,315,266	16,934,430,924	304,153,539	(16,279,680,822)	24,779,925	(2,826,000)	1,838,172,832
VAT on domestic sales	1,332,413,274	72,442,248,100	(65,808,231,016)	(6,941,205,459)	-	(28,563,136)	996,661,763
Others	576,914,141	23,359,365,400	-	(19,991,865,528)	71,237,927	(3,825,254,047)	190,397,893
	12,133,243,779	145,065,338,673	(65,037,430,561)	(77,320,689,193)	96,017,852	(4,611,152,198)	10,325,328,352





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20 SHORT-TERM ACCRUED EXPENSES

	2021 VND	2020 VND
Promotion expenses	28,351,893,395	7,994,807,469
Interest from borrowings	8,271,616,754	15,579,208,406
Others	8,472,272,685	12,990,219,831
	<u>45,095,782,834</u>	<u>36,564,235,706</u>

21 OTHER SHORT-TERM PAYABLES

	2021 VND	2020 VND
Dividend payable	4,142,078,928	10,132,649,397
Payables for bond purchase	-	28,699,875,000
Others	1,213,759,360	16,732,286,340
Related parties (Note 38(b))	1,330,028,873	-
	<u>6,685,867,161</u>	<u>55,564,810,737</u>



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22 BORROWINGS

(a) Short-term borrowings

Movements in short-term borrowings were as follows:

	As at 1.1.2021 VND	Increase VND	Decrease VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
Short-term					
Borrowings from banks (*)	676,190,695,764	3,000,180,959,766	(3,199,404,008,656)	-	476,967,646,874
Current portion of long-term borrowing (Note 22(b))	96,025,488,722	345,454,546	(96,325,488,722)	163,094,250,083	163,139,704,629
Borrowings from third parties	-	375,952,385,000	(375,952,385,000)	-	-
Financial lease					
Borrowings from banks (*)	664,125,000	-	(664,125,000)	-	-
	<u>772,880,309,486</u>	<u>3,376,478,799,312</u>	<u>(3,672,346,007,378)</u>	<u>163,094,250,083</u>	<u>640,107,351,503</u>



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22 BORROWINGS (continued)

(a) Short-term borrowings (continued)

(*) Details of closing balances of bank loans are as follows:

	2021 VND	2020 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City (i)	146,902,195,486	123,058,119,913
Vietnam Joint Stock Commercial Bank for Industry and Trade - Nhon Trach Branch (ii)	118,508,077,570	268,904,121,580
Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Saigon Branch (iii)	66,097,102,776	81,881,974,070
United Overseas Bank (iv)	62,223,652,656	122,637,175,527
Shinhan Bank Vietnam Limited - Ho Chi Minh City (v)	41,415,185,866	17,982,210,690
HSBC Bank Vietnam Limited (vi)	26,821,432,520	47,912,570,220
Vietnam Bank for Agriculture and Rural Development - Binh Duong Branch (vii)	15,000,000,000	-
Tien Phong Commercial Joint Stock Bank - Cuu Long Branch	-	11,690,067,900
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Nai Branch	-	2,788,580,864
	<u>476,967,646,874</u>	<u>676,854,820,764</u>

(i) Details are as below:

- Short-term borrowing of Anova Joint Venture Company Limited according to credit contract to supplement working capital with the interest rate at 5% per annum. The borrowing is secured by inventories amounting to VND29,117,419,618 and real estate at Vietnam – Singapore Industrial Park, Binh Hoa Ward, Thuan An Town, Binh Duong Province with the total amount of VND28,314,522,834.
- Borrowing of Thanh Nhon Joint Stock Company has the interest rate of the loan specified according to each debt acceptance contract with the interest rate of 5.4% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND50,000,000,000.



22 BORROWINGS (continued)

(a) Short-term borrowings (continued)

(ii) Details are as below:

- This is a borrowing of Anova Pharma Joint Stock Company with an interest rate at 6.3% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND20,000,000,000; The borrowing is also secured by inventories, accounts receivable at least equal to unsecured outstanding balance; machinery and equipment amounting to VND7,222,605,083.
- This is a borrowing of Anova Feed Joint Stock Company with an interest rate at 4.5% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND400,000,000,000; The borrowing is also secured by livestock amounting to VND28,500,000,000, machinery and equipment amounting to VND74,332,518,062; real estate at Hung Yen factory amounting to VND156,200,000,000 and inventories have a value of at least equal to the outstanding loan balance at each point in time.
- This is a borrowing of Thanh Nhon Joint Stock Company with an interest rate at 5.8% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND120,000,000,000.
- These are borrowings of Anova Biotech Joint Stock Company with an interest rate from 6.0% per annum to 6.2% per annum. The interest rate of the borrowing is specified according to each contract; The borrowings are secured by the Company's Letter of guarantee amounting to VND40,000,000,000; The borrowings are also secured by inventory amounting to VND7,900,000,000 and the right to collect accounts receivable amounting to VND7,200,000,000.

(iii) Details are as below:

- This is a short-term borrowing of Anova Feed Joint Stock Company with an interest rate at 4.5% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND354,000,000,000; The borrowing is also secured by inventories equal to the outstanding loan balance at each point in time, machinery and equipment at Long An factory amounting to VND1,857,000,000; real estate in Long An amounting to VND179,300,000,000 and real estate owned by the relevant third party amounting to VND42,000,000,000.
- This is a borrowing of Anova Pharma Joint Stock Company with an interest rate at 5.5% per annum. The borrowing is secured by machinery and equipment amounting to VND19,087,324,508 and real estate amounting to VND83,117,207,667.

(iv) Details are as below:

- These are short-term borrowings of Anova Feed Joint Stock Company with an interest rate is determined according to each contract ranging from 3.9% per annum to 4.5% per annum and are secured by the Company's Letter of guarantee amounting to VND100,000,000,000; inventories and right to collect debt with total amounting to VND100,000,000,000.
- These are borrowings of Thanh Nhon Joint Stock Company with an interest rate is determined according to each contract ranging from 3.9% per annum to 4.2% per annum and are secured by the Company's Letter of guarantee amounting to VND50,000,000,000.



22 BORROWINGS (continued)

(a) Short-term borrowings (continued)

(v) Details are as below:

- This is a borrowing of Anova Joint Venture Company Limited with an interest rate at 4% per annum and is secured by the Company's Letter of guarantee amounting to USD1,000,000 (The guaranteed value will be converted into VND at the time the event occurred).
- This is a borrowing of Thanh Nhon Joint Stock Company with an interest rate at 5% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to VND13,500,000,000.
- This is a borrowing of Anova Biotech Joint Stock Company with an interest rate at 5% per annum. The borrowing is secured by the Company's Letter of guarantee amounting to USD1,000,000 (The guaranteed value will be converted into VND at the time the event occurred).

(vi) These are borrowings of Anova Farm Joint Stock Company at HSBC Bank (Vietnam) Limited with an interest rate is determined according to each contract ranging from 3.7% per annum to 4% per annum. The borrowings are secured by the Company's Letter of guarantee amounting to VND50,000,000,000.

(vii) This is a borrowing of Anova Agri Binh Duong Joint Stock Company with an interest rate at 7% per annum. The borrowing is secured with the total value of collateral including machinery and equipment (1) and real estate amounting to VND 62,700,000,000; machinery and equipment (2) amounting to VND10,096,000,000 and livestock (cow) amounting to VND39,000,000,000. (Machinery and equipment (2) and livestock (cow) are also the collateral for the borrowing at Note 22(b)(ii)).



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22 BORROWINGS (continued)	As at 1.1.2021 VND	Increase VND	Decrease VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
(b) Long-term borrowings					
Long-term					
Borrowings from banks (*)	154,870,064,398	280,896,000,000	(29,166,087,459)	(163,094,250,083)	243,505,726,856
Borrowings from individuals	3,900,000,000	55,000,000,000	(3,900,000,000)	-	55,000,000,000
Finance lease liabilities					
Borrowings from banks (*)	940,843,750	-	(940,843,750)	-	-
	<u>159,710,908,148</u>	<u>335,896,000,000</u>	<u>(34,006,931,209)</u>	<u>(163,094,250,083)</u>	<u>298,505,726,856</u>





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22 BORROWINGS (continued)

(b) Long-term borrowings (continued)

(*) Details of closing balances of long-term borrowings are as follows:

	2021 VND	2020 VND
Deutsche Investitions- Und Entwicklungsgesellschaft MBH (i)	213,572,726,856	126,609,090,571
Vietnam Bank for Agriculture and Rural Development - Binh Duong Branch (ii)	29,933,000,000	-
Tien Phong Commercial Joint Stock Bank - Cuu Long Branch	-	25,529,723,827
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City	-	3,672,093,750
	<u>243,505,726,856</u>	<u>155,810,908,148</u>

(i) These are borrowings in United States Dollars of Anova Feed Joint Stock Company. The borrowings bear an interest rate ranging from 3.95% per annum to 4.9% per annum plus an interest rate of six-month LIBOR rate. These borrowings are secured by 99.8% of share value of Anova Feed Joint Stock Company and 30% share of the Company; machinery and equipment, real estate of Anova Feed Joint Stock Company in Dong Nai amounting to VND313,124,188,594.

(ii) These are borrowings of Anova Agri Binh Duong Joint Stock Company according to the loan contract no. 01/2015/ĐBD/HĐTĐ dated 08 August 2015 and the loan contract no. 5500-LAV-2021 00013 dated 17 December 2020, with an interest rate at 8.1% per annum. The borrowings are secured with the total value of collateral including machinery and equipment, real estate amounting to VND88,427,340,145.

(**) These borrowings are in VND, without collateral, for the purpose of financing capital working of Anova Feed Joint Stock Company.

23 CONVERTIBLE BONDS

Movement in the debt components of convertible bonds during the year were as follows:

	2021 VND	2020 VND
Beginning of year	515,743,048,238	505,821,247,522
Allocation of bond interest expense	3,645,833,302	8,455,116,424
Allocation of bond issuance costs	611,118,460	1,466,684,292
Bonds settlement	(520,000,000,000)	-
End of year	<u>-</u>	<u>515,743,048,238</u>



23 CONVERTIBLE BONDS (continued)

Details of convertible bonds issued are as follows:

	2021 VND	2020 VND
International Finance Corporation (i)	-	335,743,048,238
Lionel Hill Limited (ii)	-	180,000,000,000
	<hr/>	<hr/>
End of year	-	515,743,048,238
	<hr/> <hr/>	<hr/> <hr/>

(i) The bonds issued to International Finance Corporation were settled on 2 June 2021. Therefore, these bonds were not converted to shares at maturity date.

(ii) The bonds issued to Lionel Hill Limited were settled on 15 January 2021. Therefore, these bonds were not converted to shares at maturity date.

24 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The details were as follows:

	2021 VND	2020 VND
Deferred tax assets	5,687,540,599	6,012,885,876
Deferred tax liabilities	(22,049,177,145)	(22,049,177,145)
	<hr/>	<hr/>
	(16,361,636,546)	(16,036,291,269)
	<hr/> <hr/>	<hr/> <hr/>

The gross movements in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	2021 VND	2020 VND
Beginning of year	6,012,885,876	21,730,236,975
Consolidated income statement charge (Note 35)	(325,345,277)	(15,717,351,099)
	<hr/>	<hr/>
End of year	5,687,540,599	6,012,885,876
	<hr/> <hr/>	<hr/> <hr/>



24 DEFERRED INCOME TAX (continued)

	2021 VND	2020 VND
End of year	<u>22,049,177,145</u>	<u>22,049,177,145</u>

Income tax assets and deferred income tax payables arise primarily from deductible temporary differences, unrealized profit, and eliminating allowances as consolidation.

The Company used a tax rate of 20% to determine deferred income tax assets and deferred income tax liabilities (2020: 20%).

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The Company's tax losses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in financial statements. The estimated amount of tax losses available for offset against the Company's future taxable income is:

Year of tax loss	Status of tax authorities' review	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2017	Outstanding	50,287,275,430	(31,972,744,216)	18,314,531,214
2018	Outstanding	48,960,853,229	(13,729,848,435)	35,231,004,794
2019	Outstanding	29,719,361,415	(1,600,893,418)	28,118,467,997
2020	Outstanding	158,966,339,221	(28,082,531,598)	130,883,807,423
2021	Outstanding	73,114,413,723	-	73,114,413,723

The Company did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the related tax benefits through future taxable profits currently cannot be assessed as probable.



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25 OWNERS' CAPITAL

(a) Number of shares

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	108,884,325	-	47,341,019	-
Number of shares issued	108,884,325	-	47,341,019	-
Number of existing shares in circulation	108,884,325	-	47,341,019	-

(b) Movement of share capital

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2020 and 31 December 2020	47,341,019	473,410,190,000	473,410,190,000
New shares issued	61,543,306	615,433,060,000	615,433,060,000
As at 31 December 2021	108,884,325	1,088,843,250,000	1,088,843,250,000

Par value per share: VND10,000,



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26 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Share conversion options on convertible bonds VND	Owners' other capital VND	Investment and development funds VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2020	473,410,190,000	643,649,200,000	37,222,440,276	(3,772,154,614)	62,697,243,170	554,455,975,259	88,067,112,737	1,855,730,006,828
Net profit for the year	-	-	-	-	-	178,200,397,062	7,195,723,027	185,396,120,089
Dividend paid	-	-	-	-	-	-	(12,192,113,880)	(12,192,113,880)
Appropriation to bonus and welfare fund	-	-	-	-	-	(22,244,121,298)	(2,930,445,702)	(25,174,567,000)
Appropriation to investment and development fund	-	-	-	-	4,025,493,557	(4,025,493,557)	-	-
New acquisition, establish subsidiaries Transaction with NCI	-	-	-	-	-	(4,969,398,146)	100,014,920	100,014,920
As at 31 December 2020	473,410,190,000	643,649,200,000	37,222,440,276	(3,772,154,614)	66,722,736,727	701,417,359,320	85,209,689,248	2,003,859,460,957
Net profit for the year	-	-	-	-	-	299,549,517,442	18,199,008,737	317,748,526,179
New shares issued from share premium	615,433,060,000	(615,433,060,000)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(10,560,548,804)	(10,560,548,804)
Appropriation to bonus and welfare fund	-	-	-	-	-	(23,334,700,069)	(4,091,220,911)	(27,425,921,000)
Appropriation to investment and development fund	-	-	-	-	1,634,571,816	(1,634,571,816)	-	-
New acquisition, establish subsidiaries	-	-	-	-	-	-	4,871,211,285	4,871,211,285
Transaction with NCI (Note 3.2 and 3.3)	-	-	-	-	-	(10,539,678,657)	(4,708,979,605)	(15,248,658,262)
Redemption of bond	-	37,222,440,276	(37,222,440,276)	-	-	-	-	-
As at 31 December 2021	1,088,843,250,000	65,438,580,276	-	(3,772,154,614)	68,357,308,543	965,457,926,200	88,919,159,950	2,273,244,070,355

(*) According to the Resolution of the Annual General Meeting of Shareholders on 25 June 2021 and the Resolution of the Board of Management on 7 July 2021 approving the result of shares issuance to increase capital from the share premium with the ratio of 100:130 (shareholders owning 100 shares will receive 130 new shares). The Company issued 61,543,306 shares on 7 July 2021.





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27 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares, Details are:

	For the year ended	
	31.12.2021	31.12.2020
Net profit attributable to shareholders (VND)	299,549,517,442	178,200,397,062
Less amount allocated to bonus and welfare funds (VND) (*)	-	(18,600,534,147)
	<u>299,549,517,442</u>	<u>159,599,862,915</u>
Weighted average number of ordinary shares in issue (shares)	<u>108,884,325</u>	<u>108,884,325</u>
Basic earnings per share (VND)	<u>2,751</u>	<u>1,466</u>

Basic earnings per share of the year 2020 were recalculated to take into account adjustments for bonus share issuance as follows:

	As previously reported	Adjustments	As restated under Circular 200
Net profit attributable to shareholders (VND)	159,599,862,915	-	159,599,862,915
Weighted average number of ordinary shares in issue (shares)	<u>59,928,704</u>	<u>(48,955,621)</u>	<u>108,884,325</u>
Basic earnings per share (VND)	<u>2,663</u>	<u>-</u>	<u>1,466</u>

(b) Diluted earnings per share

The Group did not have any ordinary shares potentially diluted during the year and up to the date of this consolidated financial statements. Therefore, the diluted EPS is equal to the basic EPS.



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28 OFF CONSOLIDATED BALANCE SHEET ITEMS

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currencies of US\$233,201 (as at 31 December 2020: US\$247,196),

29 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2021	2020
	VND	VND
Revenue		
Revenue from sales of merchandises	2,303,359,540,402	2,043,606,243,186
Revenue from sales of finished goods	1,380,059,019,872	1,269,972,900,382
Revenue from rendering of services	18,534,520,644	15,851,282,723
	<u>3,701,953,080,918</u>	<u>3,329,430,426,291</u>
Sales deductions		
Trade discounts	(186,750,762,866)	(177,552,390,746)
Sales returns	(8,577,215,198)	(39,921,983,393)
Sales allowances	(2,986,378,042)	(729,900)
	<u>(198,314,356,106)</u>	<u>(217,475,104,039)</u>
Net revenue		
Net revenue from sales of merchandises	2,113,622,399,494	1,866,053,852,440
Net revenue from sales of finished goods	1,371,481,804,674	1,230,050,187,089
Net revenue from rendering services	18,534,520,644	15,851,282,723
	<u><u>3,503,638,724,812</u></u>	<u><u>3,111,955,322,252</u></u>



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30 COST OF GOODS SOLD AND SERVICES RENDERED

	2021 VND	2020 VND
Cost of finished goods sold	1,764,643,844,819	1,144,295,834,708
Cost of merchandises sold	1,211,040,480,355	1,280,873,519,957
Cost of services rendered	23,802,030,021	14,289,652,915
(Reversal)/provision for decline in value of inventories	(2,543,286,176)	1,928,944,397
	<u>2,996,943,069,019</u>	<u>2,441,387,951,977</u>

31 FINANCIAL INCOME

	2021 VND	2020 VND
Net gain from divestment of subsidiaries (Note 3.4)	177,549,560,210	-
Revaluation of investments at each business combination stage (*)	54,142,245,615	-
Interest income from lending activities	27,611,739,772	32,919,409,529
Dividend paid	6,797,255,069	6,314,656,800
Net gain from disposal of financial instrument (**)	9,469,331,095	-
Interest income from deposits at banks	7,079,806,183	17,556,485,964
Realised foreign exchange gains	6,768,202,639	3,983,634,411
Net gain from foreign currency translation at year-end	544,042,643	1,182,622,070
Net gain from divestment of other investment (Note 5(c))	500,000,000	-
Others	2,861,763,432	2,485,814,295
	<u>293,323,946,658</u>	<u>64,442,623,069</u>

(*) This income was earned from the revaluation of the initial investment of the Group in Anova Agri Binh Duong Joint Stock Company (Note 3.1).

(**) This is the income from the disposal of 89,200 shares of No Va Land Investment Group Corporation (Stock symbol: NVL) through matching orders in stock exchange on 29 June 2021.



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32 FINANCIAL EXPENSES

	2021 VND	2020 VND
Interest expense	80,787,779,211	96,387,132,638
Payment discounts	5,797,987,887	12,088,143,320
Realised foreign exchange losses	1,146,361,261	3,221,058,760
Net loss from divestment of an associate	281,150,146	2,417,987,633
Others	12,050,037,595	4,987,291,682
	<u>100,063,316,100</u>	<u>119,101,614,033</u>

33 SELLING EXPENSES

	2021 VND	2020 VND
Staff costs	98,220,166,905	72,463,615,283
Transportation	10,623,893,068	12,697,958,550
Promotion	9,901,032,069	27,690,403,741
Outside services expenses	7,387,978,645	18,944,742,527
Depreciation and amortisation	4,054,365,569	3,048,139,283
Rental	1,287,168,037	1,124,896,464
Others	21,284,012,235	13,629,801,528
	<u>152,758,616,528</u>	<u>149,599,557,376</u>

34 GENERAL AND ADMINISTRATION EXPENSES

	2021 VND	2020 VND
Staff costs	90,678,478,984	97,051,742,424
Outside services	30,972,131,656	44,570,399,288
Allocation of goodwill	15,854,746,829	13,439,539,004
Depreciation and amortisation	8,378,269,406	9,031,088,992
Net off land rental paid on behalf of farmers and received from farmers	3,816,554,863	14,420,377,516
Tools and supplies	3,016,247,988	2,235,568,128
Provision for doubtful debts	290,516,790	4,527,592,455
Others	51,807,609,079	21,734,495,006
	<u>204,814,555,595</u>	<u>207,010,802,813</u>



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35 BIT

The Group has to pay BIT at the applicable rate of 20%, The Company and its subsidiaries within Group have the obligation to pay BIT at different tax rates (from 15% to 20%) and are entitled to various tax incentives as stipulated in their relevant investment registration certificates or in the current tax regulations. The BIT on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2021 VND	2020 VND
Net accounting profit before tax	363,426,526,592	258,645,147,549
Tax calculated at a rate of 20%	72,685,305,318	51,729,029,510
Effect of:		
Income not subject to tax	(37,984,639,827)	(1,262,931,360)
Expenses not deductible for tax purposes	6,563,754,636	9,116,105,783
Tax losses for which no deferred income tax asset was recognised	14,196,775,202	34,183,829,470
Temporary differences for which no deferred income tax was recognised	(25,633,082)	(1,343,778,000)
Over provision in previous years	(262,492,004)	(2,570,664,409)
Differences in tax rate used	(6,010,982,518)	(10,702,673,740)
Utilisation of tax losses for which no deferred income tax asset was recognised previously	(7,086,309,113)	(5,899,889,794)
Others	3,602,221,801	-
BIT charge (*)	<u>45,678,000,413</u>	<u>73,249,027,460</u>
Charged to consolidated income statement:		
BIT – current	45,352,655,136	57,531,676,361
BIT – deferred (Note 24)	325,345,277	15,717,351,099
BIT charge (*)	<u>45,678,000,413</u>	<u>73,249,027,460</u>

(*) The BIT charge for the year is based on estimated taxable income including the elimination of the assessable income charge determined by the Group. The records has yet to be audited by the tax authorities.



36 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represented all costs incurred during the year from the Group's operating activities, excluding cost of merchandise for trading activities. Details are as follows:

	2021 VND	2020 VND
Raw materials	1,502,637,592,999	1,612,566,530,474
Staff costs	290,048,025,029	248,377,740,926
Outside services	188,980,044,258	151,918,695,482
Depreciation and amortisation	94,747,944,842	85,831,887,949
Others	165,731,235,154	166,329,543,630
	<u>2,242,144,842,282</u>	<u>2,265,024,398,461</u>



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37 SEGMENT REPORTING

The Board of Management of the Company determines that the management decisions of the Group are based primarily on the types of products and services provided by the Group. The Group's activities are mainly segmented by domestic activities. The Group does not present its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

Segment information based on the business activities of the Group is as follows:

	Year ended 31 December 2021							Total VND
	Revenue from animal medicines and veterinary medicines VND	Revenue from animal feeds VND	Revenue from agriculture VND	Food VND	Others VND	Elimination VND		
Net revenue from external sales	1,230,732,650,178	1,914,514,041,462	346,164,858,872	11,364,971,979	862,202,321	-	3,503,638,724,812	
Net revenue from internal sales	288,605,464,261	220,346,774,222	13,903,575,000	58,304,581,394	17,934,214,709	(599,094,609,586)	-	
Net revenue	1,519,338,114,439	2,134,860,815,684	360,068,433,872	69,669,553,373	18,796,417,030	(599,094,609,586)	3,503,638,724,812	
Cost of goods sold	(1,196,666,899,931)	(2,011,607,343,322)	(297,788,979,718)	(67,424,054,274)	(15,698,662,078)	592,242,870,304	(2,996,943,069,019)	
Gross profit	322,671,214,508	123,253,472,362	62,279,454,154	2,245,499,099	3,097,754,952	(6,851,739,282)	506,695,655,793	
Segment assets	793,402,759,170	1,744,390,313,599	361,667,701,694	676,028,852,250	-	(2,127,732,334,418)	1,447,757,292,295	
Unallocated assets							2,248,897,623,715	
Total assets							3,696,654,916,010	
Segment liabilities	524,109,518,004	777,849,161,215	157,466,790,529	25,890,390,419	-	(542,720,493,390)	942,595,366,777	
Unallocated liabilities							480,815,478,878	
Total liabilities							1,423,410,845,655	



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37 SEGMENT REPORTING (continued)

Year ended 31 December 2020

	Revenue from animal medicines and veterinary medicines	Revenue from animal feeds	Revenue from agriculture	Others	Elimination	Total
	VND	VND	VND	VND	VND	VND
Net revenue from external sales	1,616,124,762,153	1,085,227,021,092	409,603,060,947	1,000,478,060	-	3,111,955,322,252
Net revenue from internal sales	92,271,567,961	264,117,282,624	56,334,539,902	10,737,440,574	(423,460,831,061)	-
Net revenue	1,708,396,330,114	1,349,344,303,716	465,937,600,849	11,737,918,634	(423,460,831,061)	3,111,955,322,252
Cost of goods sold	(1,455,392,534,377)	(1,053,247,294,176)	(342,016,707,071)	(9,302,246,201)	418,570,829,848	(2,441,387,951,977)
Gross profit	253,003,795,737	296,097,009,540	123,920,893,778	2,435,672,433	(4,890,001,213)	670,567,370,275
Segment assets	1,852,515,957,780	793,641,459,045	1,159,959,323,146	44,346,039,278	(2,332,008,513,891)	1,518,454,265,358
Unallocated assets						2,363,539,124,664
Total assets	1,852,515,957,780	793,641,459,045	1,159,959,323,146	44,346,039,278	(2,332,008,513,891)	3,881,993,390,022
Segment liabilities	826,218,078,325	561,544,355,774	285,265,922,637	183,244,292	(527,476,462,311)	1,145,735,138,717
Unallocated liabilities						732,398,790,348
Total liabilities						1,878,133,929,065



38 RELATED PARTY DISCLOSURES

During the year, the Group had transactions and period end balances with following related parties:

Relationship	Related party
Associate	Bio Pharmachemie Joint Venture Company
Associate (*)	Anova Agri Binh Duong Joint Stock Company
Associate	VETVACO National Veterinary Joint Stock Company
Other related parties (**)	Anova Safe Food Corporation
Other related parties (**)	Anova Trade Corporation
Other related parties (**)	La Nga Sugar Cane and Sugar Joint Stock Company
Other related parties	Anova Milk Joint Stock Company

(*) Since 30 June 2021, Anova Agri Binh Duong Joint Stock Company has become a subsidiary of the Group (Note 5(b)),

(**) Since 30 September 2021, Anova Trade Corporation, La Nga Sugar Cane Joint Stock Company, Anova Safe Food Corporation have become other related parties of the Group,

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2021 VND	2020 VND
i) Revenue from sales of goods and rendering of services		
Bio Pharmachemie Joint Venture Company	97,604,403,876	79,796,481,432
Anova Agri Binh Duong Joint Stock Company	354,893,045	7,130,606,858
	<u>97,959,296,921</u>	<u>86,927,088,290</u>
ii) Purchases of goods and services		
Bio Pharmachemie Joint Venture Company	10,052,818,173	46,117,578,540
Anova Agri Binh Duong Joint Stock Company	2,581,748,418	-
VETVACO National Veterinary Joint Stock Company	1,861,461,000	-
Anova Milk Joint Stock Company	84,049,100	7,570,956
	<u>14,580,076,691</u>	<u>46,125,149,496</u>
iii) Compensation of key management		
Gross salaries and other benefits	<u>12,457,240,000</u>	<u>9,766,383,310</u>



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38 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2021 VND	2020 VND
iv) Interest income from lendings		
Anova Milk Joint Stock Company	879,914,189	4,301,082,398
La Nga Sugar Cane and Sugar Joint Stock Company	101,917,808	-
Anova Agri Binh Duong Joint Stock Company	-	672,962,453
Bio Pharmachemie Joint Venture Company	-	10,361,643
	<u>981,831,997</u>	<u>4,984,406,494</u>
v) Lendings		
Anova Agri Binh Duong Joint Stock Company	9,195,000,000	51,020,000,000
Anova Milk Joint Stock Company	570,000,000	173,415,000,000
Bio Pharmachemie Joint Venture Company	-	1,000,000,000
	<u>9,765,000,000</u>	<u>225,435,000,000</u>
vi) Collections of lendings		
Anova Milk Joint Stock Company	13,890,000,000	173,415,000,000
Anova Agri Binh Duong Joint Stock Company	1,745,000,000	52,020,000,000
Bio Pharmachemie Joint Venture Company	-	1,000,000,000
	<u>15,635,000,000</u>	<u>226,435,000,000</u>
vii) Interest expense		
Bio Pharmachemie Joint Venture Company	<u>25,698,630</u>	<u>22,438,356</u>
viii) Borrowings		
Bio Pharmachemie Joint Venture Company	<u>1,000,000,000</u>	<u>3,000,000,000</u>
ix) Principal repayment		
Bio Pharmachemie Joint Venture Company	<u>1,000,000,000</u>	<u>3,000,000,000</u>
x) Dividend income		
Bio Pharmachemie Joint Venture Company	<u>25,707,554,103</u>	<u>21,223,329,797</u>



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38 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties

	2021 VND	2020 VND
i) Short-term trade accounts receivable (Note 6(a))		
Bio Pharmachemie Joint Venture Company	13,616,715,337	14,234,412,914
Anova Milk Joint Stock Company	2,056,307,250	2,056,307,250
La Nga Sugar Cane and Sugar Joint Stock Company	83,514,468	-
Anova Agri Binh Duong Joint Stock Company	-	102,919,917
	<u>15,756,537,055</u>	<u>16,393,640,081</u>
ii) Short-term lending (Note 8)		
Anova Milk Joint Stock Company	-	45,500,000,000
	<u>-</u>	<u>45,500,000,000</u>
iii) Other short-term receivables (Note 9(a))		
La Nga Joint Stock Company	8,568,207,732	-
Anova Milk Joint Stock Company	967,774,604	10,880,963,989
Anova Trade Corporation	87,025,096	-
Anova Agri Binh Duong Joint Stock Company	-	932,731,000
Bio Pharmachemie Joint Venture Company	-	2,728,025,222
	<u>9,623,007,432</u>	<u>14,541,720,211</u>
iv) Short-term trade accounts payable (Note 17)		
Anova Trade Corporation	13,987,920,750	-
VETVACO National Veterinary Joint Stock Company	1,861,461,000	-
Bio Pharmachemie Joint Venture Company	1,809,993,743	4,474,307,942
	<u>17,659,375,493</u>	<u>4,474,307,942</u>
v) Other short-term payables (Note 21)		
Anova Safe Food Corporation	1,000,887,148	-
Anova Trade Corporation	329,141,725	-
	<u>1,330,028,873</u>	<u>-</u>



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39 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	2021 VND	2020 VND
Within one year	34,956,000,000	39,304,409,835
Between one and five years	139,824,000,000	102,158,691,038
Over five years	213,131,666,667	366,136,288,279
Total minimum payments	<u>387,911,666,667</u>	<u>507,599,389,152</u>

The consolidated financial statements were approved by the Board of Management on 1 March 2022.



Le Thi Hong Thuy
Preparer/Chief Accountant



Ton That De
General Director
Legal representative



