

**Ngoc Nghia Industry – Service – Trading
Joint Stock Company**

Separate financial statements

For the year ended 31 December 2021



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For the year ended 31 December 2021



Ngoc Nghia Industry – Service – Trading Joint Stock Company

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Ngoc Nghia Industry – Service – Trading Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Ngoc Nghia Industry – Service – Trading Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0301427028 first issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 June 1993, and the 24th amended ERC on 1 July 2021.

The Company's shares were listed on the Unlisted Public Company Market ("UPCoM") on the Hanoi Stock Exchange ("HNX") with code NNG in accordance with Decision No. 85/QD-HNX issued by HNX on 10 February 2015.

The current principal activities of the Company are to produce packages and other products from plastic, produce moulds and spare parts.

The Company's registered head office is located at No. 27A, Nguyen U Di Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr. La Bui Hoang Nghia	Chairman	
Ms. La Bui Hong Ngoc	Deputy Chairwoman	
Mr. La Van Hoang	Member	
Ms. Nguyen Thi Dieu Phuong	Member	
Mr. Jess Rueloekke	Member	appointed on 23 September 2021
Mr. Le Thanh Hao Nhien	Member	resigned on 31 May 2021

BOARD OF SUPERVISION

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

Ms. Hoang Thi Minh Thu	Head
Mr. Nguyen Huu Thoang	Member
Ms. Nguyen Ngoc Chi Mai	Member

MANAGEMENT

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

Ms. La Bui Hong Ngoc	General Director	
Mr. John Russell Gray	Chief Operations Officer	
Ms. Truong Thi Ngoc Tram	Chief Financial Officer	resigned on 31 March 2022

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms. La Bui Hong Ngoc.

Mr. La Bui Hoang Nghia is authorised by Ms. La Bui Hong Ngoc to sign the separate financial statements for the year ended 31 December 2021 in accordance with the Power of Attorney No. 01-2022/POA/NN dated 30 March 2022.

AUDITORS

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

Ngoc Nghia Industry – Service – Trading Joint Stock Company

REPORT OF MANAGEMENT AND APPROVAL OF THE BOARD OF DIRECTORS

Management of Ngoc Nghia Industry – Service – Trading Joint Stock Company ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, management required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements which give a true and fair view of the separate financial position of the Company as at 31 December 2021 and of the separate results of its operations and its separate cash flows for the year ended 31 December 2021 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

The Company has subsidiaries as disclosed in Note 18 of the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2021 dated 8 April 2022.

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

For and on behalf of the Board of Directors:



La Bui Hoang Nghia
Chairman

Ho Chi Minh City, Vietnam

8 April 2022

Reference: 61537105/22634298

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Ngoc Nghia Industry – Service – Trading Joint Stock Company

We have audited the accompanying separate financial statements of Ngoc Nghia Industry – Service – Trading Joint Stock Company ("the Company") as prepared on 8 April 2022 and set out on pages 5 to 38, which comprise the separate balance sheet as at 31 December 2021, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as the management determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2021, and of the results of its separate operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

Ernst & Young Vietnam Limited



Nguyễn Thị Nhu Quỳnh
Deputy General Director
Audit Practicing Registration Certificate
No. 3040-2019-004-1



Pham Xuan Tuan
Auditor
Audit Practicing Registration Certificate
No. 4639-2018-004-1

Ho Chi Minh City, Vietnam

8 April 2022

SEPARATE BALANCE SHEET
as at 31 December 2021

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		829,133,842,390	661,363,002,623
110	I. Cash	5	27,501,432,599	43,775,846,626
111	1. Cash		27,501,432,599	43,775,846,626
130	II. Current accounts receivable		624,908,495,817	471,837,571,317
131	1. Short-term trade receivables	6	651,253,310,250	435,489,351,903
132	2. Short-term advances to suppliers	7	7,443,516,887	14,416,625,895
135	3. Short-term loan receivables	8	613,100,000,000	613,100,000,000
136	4. Other short-term receivables	9	135,470,853,023	189,645,733,537
137	5. Provision for doubtful short-term receivables	10	(782,359,184,343)	(780,814,140,018)
140	III. Inventory		90,770,190,305	63,173,890,919
141	1. Inventories	11	90,770,190,305	63,173,890,919
150	IV. Other current assets		85,953,723,669	82,575,693,761
151	1. Short-term prepaid expenses	12	5,349,811,080	7,326,447,447
152	2. Value-added tax deductible	21	66,755,669,283	61,666,384,640
153	3. Tax and other receivables from the State	21	13,848,243,306	13,582,861,674
200	B. NON-CURRENT ASSETS		1,082,120,078,128	1,334,619,256,997
210	I. Long-term receivable		203,410,946,525	353,154,502,525
216	1. Other long-term receivables	9	351,410,946,525	353,154,502,525
219	2. Provision for doubtful long-term receivables	10	(148,000,000,000)	
220	II. Fixed assets		264,383,010,093	348,597,085,665
221	1. Tangible fixed assets	13	253,008,401,957	227,574,036,080
222	Cost		608,582,111,866	479,859,950,613
223	Accumulated depreciation		(355,573,709,909)	(252,285,914,533)
224	2. Finance leases	14	-	16,474,595,389
225	Cost		-	19,846,248,326
226	Accumulated depreciation		-	(3,371,652,937)
227	3. Intangible fixed assets	15	11,374,608,136	104,548,454,196
228	Cost		23,813,560,190	109,032,645,174
229	Accumulated amortization		(12,438,952,054)	(4,484,190,978)
230	III. Investment properties		103,440,200,000	-
231	1. Cost	16	103,440,200,000	-
240	IV. Long-term asset in progress		5,223,667,256	981,659,334
242	1. Construction in progress	17	5,223,667,256	981,659,334
250	V. Long-term investment		357,800,000,000	480,885,724,000
251	1. Investments in subsidiaries	18	357,800,000,000	480,885,724,000
260	VI. Other long-term assets		147,862,254,254	151,000,285,473
261	1. Long-term prepaid expenses	12	56,548,655,622	50,291,000,314
262	2. Deferred tax assets	31.3	91,313,598,632	100,709,285,159
270	TOTAL ASSETS		1,911,253,920,518	1,995,982,259,620

SEPARATE BALANCE SHEET (continued)
as at 31 December 2021

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		670,940,392,966	907,247,121,939
310	I. Current liabilities		626,536,296,547	849,633,346,062
311	1. Short-term trade payables	19	422,466,942,108	570,966,859,552
312	2. Short-term advances from customers	20	16,338,192,923	8,821,419,001
313	3. Statutory obligations	21	1,259,068,235	3,554,031,115
315	4. Short-term accrued expenses	22	6,667,894,515	4,037,832,616
319	5. Other short-term payables		2,293,564,302	1,497,736,291
320	6. Short-term loan and finance lease obligations	23	177,510,634,464	258,772,080,635
322	7. Bonus and welfare fund		-	1,983,386,852
330	II. Non-current liability		44,404,096,419	57,613,775,877
338	1. Long-term loans and finance lease obligations	23	44,404,096,419	57,613,775,877
400	D. OWNERS' EQUITY	24.1	1,240,313,527,552	1,088,735,137,681
410	I. Capital		1,240,313,527,552	1,088,735,137,681
411	1. Share capital		815,709,880,000	815,709,880,000
412	2. Share premium		192,851,537,982	192,851,537,982
418	3. Investment and development fund		10,973,114,162	10,973,114,162
420	4. Other funds belonging to owners' equity		192,503,849	192,503,849
421	5. Undistributed earnings		220,586,491,559	69,008,101,688
421a	- Undistributed earnings by the end of prior year		71,295,939,561	15,071,435,221
421b	- Undistributed earnings of current year		149,290,551,998	53,936,666,467
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,911,253,920,518	1,995,982,259,620



Dong Thi Ngoc Trieu
Preparer cum Chief Accountant



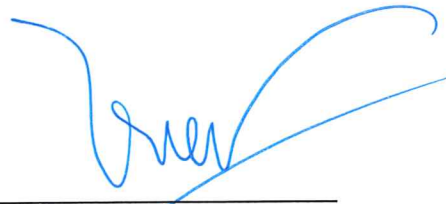
La Bui Hoang Nghia
Chairman

8 April 2022


SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	25.1	1,601,215,655,771	1,372,103,568,719
02	2. Deductions	25.1	(3,195,343,204)	(2,880,734,770)
10	3. Net revenue from sale of goods and rendering of services	25.1	1,598,020,312,567	1,369,222,833,949
11	4. Cost of goods sold and services rendered	26	(1,400,735,747,307)	(1,211,247,706,008)
20	5. Gross profit from sale of goods and rendering of services		197,284,565,260	157,975,127,941
21	6. Finance income	25.2	342,783,905,439	7,024,211,997
22	7. Finance expenses	27	(110,180,062,306)	(23,005,436,333)
23	- In which: Interest expense		(17,051,419,774)	(22,211,159,257)
25	8. Selling expenses	28	(62,166,873,573)	(35,420,743,670)
26	9. General and administrative expenses	28	(212,080,120,358)	(57,009,307,656)
30	10. Operating profit		155,641,414,462	49,563,852,279
31	11. Other income	29	3,307,116,378	47,356,126,827
32	12. Other expenses	29	(262,292,315)	(4,894,089,415)
40	13. Other profit		3,044,824,063	42,462,037,412
50	14. Accounting profit before tax		158,686,238,525	92,025,889,691
51	15. Current corporate income tax expense	31.1	-	(27,155,331,954)
52	16. Deferred income tax expense	31.3	(9,395,686,527)	(10,933,891,270)
60	17. Net profit after tax		149,290,551,998	53,936,666,467



Dong Thi Ngoc Trieu
Preparer cum Chief Accountant

La Bui Hoang Nghia
Chairman

8 April 2022

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		158,686,238,525	92,025,889,691
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets, finance leases and amortization of intangible fixed assets	13, 14, 15	38,206,324,724	24,920,110,861
03	Provisions (reversal of provisions)		149,545,044,325	(161,862,360)
04	Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency		(129,772,052)	113,683,109
05	Profits from investing activities		(249,098,149,832)	(45,720,092,911)
06	Interest expenses	27	17,051,419,774	22,211,159,257
08	Operating profit before changes in working capital		114,261,105,464	93,388,887,647
09	Increase in receivables		(141,310,661,280)	(108,225,456,099)
10	(Increase) decrease in inventories		(27,596,299,386)	1,271,738,660
11	Decrease in payables		(169,958,819,153)	(153,760,582,099)
12	Increase in prepaid expenses		(3,427,626,640)	(18,510,272,222)
14	Interest paid		(16,616,593,421)	(22,479,043,090)
15	Corporate income tax paid	21	-	(27,155,331,954)
20	Net cash flows used in operating activities		(244,648,894,416)	(235,470,059,157)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets		(20,953,123,531)	(87,968,294,324)
22	Proceeds from disposals of fixed assets		3,175,454,545	94,211,972,800
23	Loan to an individual		-	(15,000,000,000)
24	Collections from term deposits and loan to an individual		-	89,099,135,148
26	Collection from merging of a subsidiary		508,287,590	-
27	Interest and dividends received		340,050,277,014	5,490,577,833
30	Net cash flows from investing activities		322,780,895,618	85,833,391,457
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	23	709,539,883,091	926,646,639,565
34	Repayment of borrowings	23	(797,351,832,498)	(1,141,101,660,356)
35	Payment of principal of finance lease liabilities	23	(6,598,801,318)	(13,571,760,261)
40	Net cash flows used in financing activities		(94,410,750,725)	(228,026,781,052)


SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net decrease in cash		(16,278,749,523)	(377,663,448,752)
60	Cash at beginning of year		43,775,846,626	421,457,659,722
61	Impact of exchange rate fluctuation		4,335,496	(18,364,344)
70	Cash at end of year	5	27,501,432,599	43,775,846,626


Dong Thi Ngoc Trieu
Preparer cum Chief Accountant




La Bui Hoang Nghia
Chairman

8 April 2022

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION

Ngoc Nghia Industry – Service – Trading Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0301427028 first issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 June 1993, and the 24th amended ERC on 1 July 2021.

The Company's shares were listed on the Unlisted Public Company Market ("UPCoM") on the Hanoi Stock Exchange ("HNX") with code NNG in accordance with Decision No. 85/QD-HNX issued by HNX on 10 February 2015.

The current principal activities of the Company are to produce packages and other products from plastic, produce molds and spare parts.

The Company's registered head office is located at No. 27A, Nguyen U Di Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam.

The number of Company's employees as at 31 December 2021 was 666 (31 December 2020: 637).

As at 31 December 2021, the Company has two (2) direct subsidiaries with details as follows:

Company	Location	Status	Business Ownership	Voting right	
				%	%
International Pet Single Member Limited Liability Company ("IPC")	Tay Ninh	Operating	Manufacture of plastics products	100	100
Ngoc Nghia International Packaging Single Member Limited Liability Company ("NNI")	Tay Ninh	Operating	Manufacture of plastics products	100	100

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The Company has subsidiaries as disclosed in *Note 1* and *Note 18.1*. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021 dated 8 April 2022.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system

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

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

Accordingly, the accompanying separate financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash in banks.

3.2 Inventories

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

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

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

- | | |
|--|--|
| Raw materials, goods for resale and finished goods | - cost of purchase on a first-in, first-out basis. |
| Work-in process | - cost of direct materials and labor plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis. |

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Provision for obsolete inventories

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

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

3.3 Receivables

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

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

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the separate income statement as incurred.

When tangible fixed assets are sold or retired, and any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the separate income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.

Land use rights ("LURs")

LURs are recorded as intangible fixed assets if the land is held for use in the production or business, for rental to others by the enterprise and when the Company receives the LURs certificate. The cost of LURs comprises any directly attributable costs of preparing the land for its intended use. The costs of LURs with indefinite useful life are not amortized.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and LURs certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.6 Depreciation and amortization**

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

Buildings and structures	5 - 25 years
Machinery and equipment	5 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 6 years
Accounting software	3 - 6 years

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortization. Investment properties held for capital appreciation are not depreciated/amortized but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognized in the separate income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.8 Borrowing costs

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

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortized over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

Tools and supplies with large value are recorded as long-term prepaid expense and are amortized to the separate income statement over 2 to 3 years.

The prepaid land rental represents the unamortized balance of advance payment made in accordance with the lease contract No. 09/KCN-HDTD dated 28 March 2000 signed with Tan Binh Import - Export Joint Stock Corporation validated until 17 June 2047. Such prepaid rental is classified as long-term prepaid expenses for allocation to the separate income statement over the remaining lease period, according to Circular 45.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments

Investments in subsidiaries

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

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

Provision for diminution in value investments

Provision of the investment is made when there are reliable evidence of the diminution in value of those investments at the balance sheet date.

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

3.11 Payables and accruals

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

3.12 Foreign currency transactions

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

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Appropriation of net profit

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval by shareholders at the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

▶ *Investment and development fund*

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

▶ *Bonus and welfare fund*

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

3.14 Revenue recognition

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

Sale of goods

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

Rendering of services

Revenue from rendering of services is recognized when the services are rendered and complete.

Interest income

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

Dividends

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

Rental income

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the separate balance sheet date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to offset current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Related parties

Parties are considered to be related parties of the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

4. SIGNIFICANT EVENT DURING THE YEAR

Covid-19 pandemic

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of these separate financial statements.

5. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash in banks	<u>27,501,432,599</u>	<u>43,775,846,626</u>

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due from related parties (Note 32)	450,855,146,149	253,157,692,421
Due from other parties	200,398,164,101	182,331,659,482
- Unilever Vietnam International Company Limited	42,050,633,722	41,387,163,127
- Uniben Corporation	22,490,491,316	4,244,998,645
- Dynaplast Packaging (Viet Nam) Company Limited – Bac Ninh Branch	17,586,106,487	17,384,941,899
- Thai Long Consumer Goods Company Limited	15,158,737,684	15,158,737,684
- Opera Consumer Goods Joint Stock Company	13,682,485,252	13,682,485,252
- Others	89,429,709,640	90,473,332,875
TOTAL	651,253,310,250	435,489,351,903
Provision for doubtful short-term trade receivables	<u>(30,135,981,391)</u>	<u>(28,590,937,066)</u>
NET	<u>621,117,328,859</u>	<u>406,898,414,837</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

6. SHORT-TERM TRADE RECEIVABLES (continued)

Detail provision for doubtful short-term trade receivables:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning	28,590,937,066	28,709,404,426
Add: Provision created during the period	2,125,954,325	-
Less: Reversal of provision	(580,910,000)	(118,467,360)
Ending	<u>30,135,981,391</u>	<u>28,590,937,066</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Song Toan Trading and Production Co., Ltd.	2,745,250,000	2,745,250,000
EEP Cold Electronics Ltd.	1,274,830,700	-
Thanh Thai Industrial Equipment Company Limited	781,107,195	781,107,195
Others	2,642,328,992	10,890,268,700
TOTAL	7,443,516,887	14,416,625,895
Provision for doubtful short-term advances to suppliers	(4,151,216,115)	(4,151,216,115)
NET	<u>3,292,300,772</u>	<u>10,265,409,780</u>

8. SHORT-TERM LOAN RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Opera Consumer Goods Joint Stock Company	543,500,000,000	543,500,000,000
International Fine Meat Company Limited	49,750,000,000	49,750,000,000
Thai Long Consumer Goods Company Limited	19,850,000,000	19,850,000,000
TOTAL	613,100,000,000	613,100,000,000
Provision for doubtful short-term loans receivable	(613,100,000,000)	(613,100,000,000)
NET	<u>-</u>	<u>-</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

9. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	135,470,853,023	189,645,733,537
Loan interest, deposits interest receivables	134,971,986,837	134,971,986,837
Advances to employees	372,775,252	54,654,049,450
Others	126,090,934	19,697,250
Long-term	351,410,946,525	353,154,502,525
Receivable from Corola Trading One Member Company Limited (*)	246,000,000,000	246,000,000,000
Capital contributed in Business Cooperation Contracts ("BCC") (**)	103,000,000,000	103,000,000,000
Deposits of factories and office rental	2,410,946,525	2,410,946,525
Deposits of finance leases	-	1,743,556,000
TOTAL	486,881,799,548	542,800,236,062
Provision for doubtful other receivables	(282,971,986,837)	(134,971,986,837)
NET TOTAL	203,909,812,711	407,828,249,225

(*) The balance represented the receivables from Corola relating to the debt clearing agreements in 2019 and will be collected within four years (4 years) from 31 December 2021.

(**) The amount represented the capital contribution in BCC with Corola relating to the cooperation in trading high-class imported food products within 60 months from 12 November 2019. In accordance with the contract No. 20191112/HDHTKD dated 12 November 2019, the Company has 55% interest in this BCC.

Detail of movements of provision for doubtful other receivables:

	VND	
	Ending balance	Beginning balance
Beginning balance	134,971,986,837	134,971,986,837
Add: Provision made during the year	148,000,000,000	-
Ending balance	282,971,986,837	134,971,986,837

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

10. PROVISION FOR DOUBTFUL RECEIVABLES

Summarized from Notes 6, 7, 8 and 9.

	31 December 2021			31 December 2020			VND
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision	
Short-term:							
Opera Consumer Goods Joint Stock Company	782,359,184,343	-	(782,359,184,343)	783,125,194,643	2,311,054,625	(780,814,140,018)	
International Fine Meat Company Limited	684,790,439,450	-	(684,790,439,450)	684,790,439,450	1,082,203,462	(683,708,235,988)	
Thai Long Consumer Goods Company Limited	56,298,555,975	-	(56,298,555,975)	56,879,465,975	-	(56,879,465,975)	
Song Toan Production and Trading Company Limited	35,824,214,348	-	(35,824,214,348)	35,824,214,348	-	(35,824,214,348)	
Thai Thanh Industrial Equipment Company Limited	2,745,250,000	-	(2,745,250,000)	2,745,250,000	-	(2,745,250,000)	
Lamaison Trading Joint Stock Company	781,107,195	-	(781,107,195)	781,107,195	-	(781,107,195)	
Others	526,080,863	-	(526,080,863)	526,080,863	526,080,863	-	
	1,393,536,512	-	(1,393,536,512)	1,578,636,812	702,770,300	(875,866,512)	
Long-term:							
Corola Trading One Member Company Limited	349,000,000,000	201,000,000,000	(148,000,000,000)	349,000,000,000	349,000,000,000	-	
TOTAL	1,131,359,184,343	201,000,000,000	(930,359,184,343)	1,132,125,194,643	351,311,054,625	(780,814,140,018)	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

11. INVENTORIES

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Raw materials	44,209,861,424	25,367,852,940
Finished goods	30,356,434,395	23,162,129,169
Goods in transit	10,203,685,354	5,139,894,572
Goods on consignment	2,704,362,780	-
Work in progress	2,627,575,671	5,370,971,426
Merchandise	352,820,638	2,025,619,934
Tools and supplies	315,450,043	2,107,422,878
TOTAL	<u>90,770,190,305</u>	<u>63,173,890,919</u>

12. PREPAID EXPENSES

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	5,349,811,080	7,326,447,447
Tools and supplies	3,522,947,706	6,696,179,884
Others	1,826,863,374	630,267,563
Long-term	56,548,655,622	50,291,000,314
Tools and supplies	45,068,052,197	38,190,411,780
Land rental (*)	11,008,582,068	11,441,255,268
Others	472,021,357	659,333,266
TOTAL	<u>61,898,466,702</u>	<u>57,617,447,761</u>

(*) The prepaid land rental represented the unallocated balance of payment in advance in accordance with lease contract as disclosed in Note 3.9.

The Company has pledged land use right of land rental to secure the bank loan facilities (Note 23.1).

Ngoc Nghia Industry – Service – Trading Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

13. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost:					VND
Beginning balance	44,544,814,989	404,416,540,642	24,054,740,519	6,843,854,463	479,859,950,613
Increase due to merger of its subsidiary	12,034,495,622	70,844,184,441	586,423,770	382,422,416	83,847,526,249
New purchase	-	31,711,918,391	-	147,500,000	31,859,418,391
Transferred from construction in progress	-	4,663,234,651	-	-	4,663,234,651
Transferred from finance leases	-	19,889,703,326	-	-	19,889,703,326
Disposal	-	(5,080,408,097)	(6,457,313,267)	-	(11,537,721,364)
Ending balance	56,579,310,611	526,445,173,354	18,183,851,022	7,373,776,879	608,582,111,866
<i>In which:</i>					
Fully depreciated	9,334,674,266	234,917,077,303	3,799,532,822	5,718,237,879	253,769,522,270
Accumulated depreciation:					
Beginning balance	(23,219,903,043)	(210,167,718,413)	(12,331,132,393)	(6,567,160,684)	(252,285,914,533)
Increase due to merger of its subsidiary	(9,518,479,133)	(61,664,754,013)	(480,590,444)	(214,547,419)	(71,878,371,009)
Depreciation for the year	(2,925,295,141)	(31,672,482,246)	(1,862,408,538)	(290,481,515)	(36,750,667,440)
Transferred from finance leases	-	(3,988,273,067)	-	-	(3,988,273,067)
Disposal	-	5,080,408,097	4,249,108,043	-	9,329,516,140
Ending balance	(35,663,677,317)	(302,412,819,642)	(10,425,023,332)	(7,072,189,618)	(355,573,709,909)
Net carrying amount:					
Beginning balance	21,324,911,946	194,248,822,229	11,723,608,126	276,693,779	227,574,036,080
Ending balance	20,915,633,294	224,032,353,712	7,758,827,690	301,587,261	253,008,401,957
<i>In which:</i>					
Pledged as loan security (Note 23.2)	7,367,136,062	102,609,004,730	-	-	109,976,140,792

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

14. FINANCE LEASES

	VND
	<i>Machinery and equipment</i>
Cost:	
Beginning balance	19,846,248,326
Transferred to tangible fixed assets	<u>(19,846,248,326)</u>
Ending balance	<u>-</u>
Accumulated depreciation:	
Beginning balance	(3,371,652,937)
Depreciation for the year	(616,620,130)
Transferred to tangible fixed assets	<u>3,988,273,067</u>
Ending balance	<u>-</u>
Net carrying amount:	
Beginning balance	<u>16,474,595,389</u>
Ending balance	<u>-</u>

15. INTANGIBLE FIXED ASSETS

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	103,440,200,000	5,592,445,174	109,032,645,174
Increase due to merger of its subsidiary	18,221,115,016	-	18,221,115,016
Transferred to investment properties	<u>(103,440,200,000)</u>	<u>-</u>	<u>(103,440,200,000)</u>
Ending balance	<u>18,221,115,016</u>	<u>5,592,445,174</u>	<u>23,813,560,190</u>
<i>In which:</i>			
<i>Fully amortized</i>	-	3,408,542,874	3,408,542,874
Accumulated amortization:			
Beginning balance	-	(4,484,190,978)	(4,484,190,978)
Increase due to merger of its subsidiary	(7,115,723,922)	-	(7,115,723,922)
Amortization for the year	<u>(307,745,376)</u>	<u>(531,291,778)</u>	<u>(839,037,154)</u>
Ending balance	<u>(7,423,469,298)</u>	<u>(5,015,482,756)</u>	<u>(12,438,952,054)</u>
Net carrying amount:			
Beginning balance	<u>103,440,200,000</u>	<u>1,108,254,196</u>	<u>104,548,454,196</u>
Ending balance	<u>10,797,645,718</u>	<u>576,962,418</u>	<u>11,374,608,136</u>
<i>In which:</i>			
<i>Pledged as loan security (Note 23.1)</i>	10,797,645,718	-	10,797,645,718

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. INVESTMENT PROPERTIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment properties held for capital appreciation (*)	103,440,200,000	-

(*) The balance represented the land use right at Lot No. IV-21, which was reclassified from intangible fixed assets and was approved in accordance with the Decision of Management No. 01-T11-21/NN/QD dated 1 November 2021.

The fair value of the investment properties was not formally assessed and determined as of 31 December 2021 due to the unpredicted fluctuation of the market value. However, given the market value of these properties, it is management's assessment that the properties' market value is higher than their carrying value as at the balance sheet date.

17. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Fixed assets waiting for installation	4,702,963,256	460,955,334
Office maintenance fee	520,704,000	520,704,000
TOTAL	5,223,667,256	981,659,334

18. INVESTMENT IN SUBSIDIARIES

			VND			
<i>Name</i>	<i>Business</i>	<i>Status</i>	<i>Ending balance</i>		<i>Beginning balance</i>	
			<i>Cost of Owner-investment ship</i>		<i>Cost of Owner-investment ship</i>	
			VND	%	VND	%
International PET Single Member Limited Liability Company (*)	Manufacture of plastics products	Operating	242,800,000,000	100	242,800,000,000	100
Ngoc Nghia International Packaging Single Member Limited Liability Company (*)	Manufacture of plastics products	Operating	115,000,000,000	100	115,000,000,000	100
Vietnam P.E.T Plastic Single Member Limited Liability Company (**)	Manufacture of plastics packaging	Merged to the Company	-	100	123,085,724,000	100
TOTAL			357,800,000,000		480,885,724,000	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

18. INVESTMENT IN SUBSIDIARIES (continued)

- (*) The investment in subsidiaries were pledged to secure the Company's short-term loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch (Note 23.1).
- (**) On 1 July 2021, Vietnam P.E.T Plastic Single Member Limited Liability Company ("VNP") was fully merged into the Company in accordance with the Annual General Meeting Resolution No. 01/2020/NN/NQ-DHDCD dated 29 June 2020 and the signed contract No. 01-2020/SP/VNP-NN. The fair values of the net assets and liabilities of VNP as of the merger date was as follows:

	VND
	<i>Fair value</i>
Assets	60,364,361,212
Cash	508,287,590
Receivables	25,110,783,115
Fixed assets	33,626,516,574
Other assets	1,118,773,933
Liabilities	21,659,962,005
Account payables	21,627,432,464
Statutory obligation	32,529,541
Total net assets	38,704,399,207
Adjustment on fair value	(7,992,598,910)
Cost of investment	(123,085,724,000)
Losses from merger (Note 27)	<u>(92,373,923,703)</u>

19. SHORT-TERM TRADE PAYABLES

	Ending balance	Beginning balance
		VND
Trade payables to related parties (Note 32)	276,408,957,767	472,619,444,822
Trade payables to others	146,057,984,341	98,347,414,730
- Unilever Asia Private Limited	26,344,215,454	27,020,824,400
- Duy Tan Plastic Recycling Company Limited	20,120,702,800	17,248,002,474
- Hung Nghiep Formosa Limited	17,156,829,580	7,434,319,230
- Others	82,436,236,507	46,644,268,626
TOTAL	<u>422,466,942,108</u>	<u>570,966,859,552</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

20. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Nova Beverages Joint Stock Company.	4,333,768,503	-
Others	12,004,424,420	8,821,419,001
TOTAL	16,338,192,923	8,821,419,001

21. STATUTORY OBLIGATIONS

	VND			
	Beginning balance	Increase	Decrease	Ending balance
Receivables				
Value-added tax	61,666,384,640	140,175,886,105	(135,086,601,462)	66,755,669,283
Corporate income tax	13,582,861,674	265,381,632	-	13,848,243,306
TOTAL	75,249,246,314	140,441,267,737	(135,086,601,462)	80,603,912,589
Payables				
Personal income tax	769,323,499	9,897,947,897	(9,959,277,154)	707,994,242
Foreign contractor tax	2,783,132,915	583,007,976	(2,815,066,898)	551,073,993
Import duties	1,574,701	4,333,576,282	(4,335,150,983)	-
Import value added tax	-	19,280,506,074	(19,280,506,074)	-
TOTAL	3,554,031,115	34,095,038,229	(36,390,001,109)	1,259,068,235

22. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Salary and bonus	4,316,789,499	2,963,796,721
Interest expense	775,833,055	341,006,702
Others	1,575,271,961	733,029,193
TOTAL	6,667,894,515	4,037,832,616

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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23. LOAN AND FINANCE LEASES

	Beginning balance	Increase	Decrease	Current portion of long-term loans	Revaluation	VND Ending balance
Short-term	258,772,080,635	705,708,492,722	(798,909,563,989)	12,000,000,000	(60,374,904)	177,510,634,464
Loans from banks (Note 23.1)	247,025,062,755	705,708,492,722	(787,162,546,109)	-	(60,374,904)	165,510,634,464
Current portion of long-term loans (Note 23.2)	7,945,198,980	-	(7,945,198,980)	12,000,000,000	-	12,000,000,000
Current portion of long-term financial lease (Note 23.3)	3,801,818,900	-	(3,801,818,900)	-	-	-
Long-term	57,613,775,877	3,831,390,369	(5,041,069,827)	(12,000,000,000)	-	44,404,096,419
Loans from banks (Note 23.2)	54,816,793,459	3,831,390,369	(2,244,087,409)	(12,000,000,000)	-	44,404,096,419
Finance lease (Note 23.3)	2,796,982,418	-	(2,796,982,418)	-	-	-
TOTAL	316,385,856,512	709,539,883,091	(803,950,633,816)	-	(60,374,904)	221,914,730,883

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

23. LOAN AND FINANCE LEASES (continued)

23.1 Short-term loans from bank

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

Bank	Ending balance		Principal repayment term	Interest rate %annum	Description of collateral
	VND	(Original currency) USD			
Vietnam Joint Stock Commercial Bank For Industry and Trade					
Loan 1	13,089,889,473	-	From 9 May 2022 to 22 June 2022	5.8	Land use rights, ownership of houses and other asset attached to land of IPC at land lot No. 41, Map sheet No. 46; Linh Trung III Export Processing and Industry Zone, An Tinh Ward, Trang Bang Town, Tay Ninh Province
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch					
Loan 1	141,541,588,215	-	From 14 March 2022 to 27 June 2022	5.0	Land use right and associated assets of the Company at Tay Bac Cu Chi Industrial Zone, and in Tan Binh Industrial Park, Ho Chi Minh City; Capital contribution of the Company to subsidiaries; Mortgaged assets for guaranteeing medium and long-term loans of NNI at this bank.
Loan 2	10,879,156,776	474,657.80	From 10 June 2022 to 30 June 2022	2.5	
TOTAL	165,510,634,464	474,657.80			

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

23. LOAN AND FINANCE LEASE (continued)

23.2 Long-term loans from banks

Details of short-term loans from banks to purchase of cars and machinery and equipment are as follows:

<i>Banks</i>	<i>Ending balance</i> VND	<i>Principal repayment term</i>	<i>Interest rate</i> %/annum	<i>Description of collateral</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	56,404,096,419	From 10 February 2022 to 10 November 2025	8.5 - 8.6	Machinery and equipment of the Company
<i>In which:</i>				
<i>Long-term loans</i>	44,404,096,419			
<i>Current portion of long-term loans</i>	12,000,000,000			

23.3 Finance lease

The Company leases machineries and equipment under finance lease arrangement contracts' term is 48 months with interest rates is 8.06%/annum. Future obligations due under finance leases agreements as at the separate balance sheet dates were as follows:

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Total minimum lease payments</i>	<i>Finance charges</i>	<i>Lease liabilities</i>	<i>Total minimum lease payments</i>	<i>Finance charges</i>	<i>Lease liabilities</i>
Short-term financial lease						
Less than 1 year	-	-	-	4,205,699,905	403,881,005	3,801,818,900
Long-term financial lease						
From 1-5 years	-	-	-	2,893,906,621	96,924,203	2,796,982,418
TOTAL	-	-	-	7,099,606,526	500,805,208	6,598,801,318

Ngoc Nghia Industry – Service – Trading Joint Stock Company

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Other funds belonging to Owner's equity	Undistributed earnings	Total
						VND
Previous year:						
Beginning balance	815,709,880,000	192,851,537,982	10,973,114,162	192,503,849	15,071,435,221	1,034,798,471,214
Net profit for the year	-	-	-	-	53,936,666,467	53,936,666,467
Ending balance	815,709,880,000	192,851,537,982	10,973,114,162	192,503,849	69,008,101,688	1,088,735,137,681
Current year:						
Beginning balance	815,709,880,000	192,851,537,982	10,973,114,162	192,503,849	69,008,101,688	1,088,735,137,681
Net profit for the year	-	-	-	-	149,290,551,998	149,290,551,998
Refund from bonus and welfare fund (*)	-	-	-	-	2,287,837,873	2,287,837,873
Ending balance	815,709,880,000	192,851,537,982	10,973,114,162	192,503,849	220,586,491,559	1,240,313,527,552

(*) The General Meeting of Shareholders of the Company approved to reverse the bonus and welfare fund amounting to VND 2,287,837,873 into the undistributed earnings in accordance with the General Meeting of Shareholders Resolution No. 02-T10-21/NQ/DHDCD/NN dated 8 October 2021.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

24. OWNERS' EQUITY (continued)

24.2 Share capital

	Ending balance		Beginning balance	
	Amount	Ownership	Amount	Ownership
	(VND)	(%)	(VND)	(%)
Tempel Four Limited	29,320,988	35.95	29,320,988	35.95
Mr. La Van Hoang	17,138,829	21.01	17,138,829	21.01
Ms. Bui Bich Hong	10,554,834	12.94	10,554,834	12.94
Ms. La Bui Hong Ngoc	10,329,201	12.66	10,329,201	12.66
Mr. La Bui Hoang Nghia	7,376,497	9.04	7,376,497	9.04
Others	6,850,639	8.40	6,850,639	8.40
TOTAL	81,570,988	100.00	81,570,988	100.00

24.3 Capital transactions with shareholders and distribution of dividends

	VND	
	Current year	Previous year
Contributed capital		
Beginning balance and ending balance	815,709,880,000	815,709,880,000

24.4 Shares

	Quantity	
	Ending balance	Beginning balance
Authorized shares	81,570,988	81,570,988
Issued shares	81,570,988	81,570,988
<i>Ordinary shares</i>	81,570,988	81,570,988
Shares in circulation	81,570,988	81,570,988
<i>Ordinary shares</i>	81,570,988	81,570,988

The Company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restriction.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

25. REVENUE

25.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	1,601,215,655,771	1,372,103,568,719
<i>In which:</i>		
Sale of merchandises	757,867,951,258	792,936,137,275
Sale of finished goods	841,389,204,513	573,015,220,644
Rendering of services	1,958,500,000	6,152,210,800
Sales returns	(3,195,343,204)	(2,880,734,770)
Net revenue	1,598,020,312,567	1,369,222,833,949
<i>In which:</i>		
Sale of merchandises	757,778,370,008	790,055,402,505
Sale of finished goods	838,283,442,559	573,015,220,644
Rendering of services	1,958,500,000	6,152,210,800
<i>In which:</i>		
Sales to others	1,203,488,713,988	852,096,413,139
Sales to related parties (Note 32)	394,531,598,579	517,126,420,810

25.2 Finance income

	VND	
	Current year	Previous year
Dividends	340,000,000,000	-
Foreign exchange gains	2,733,628,425	1,551,922,807
Interest income	50,277,014	5,472,289,190
TOTAL	342,783,905,439	7,024,211,997

26. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of merchandises	698,616,228,523	732,456,613,520
Cost of finished goods sold	701,656,606,054	464,842,534,347
Cost of services rendered	462,912,730	13,948,558,141
TOTAL	1,400,735,747,307	1,211,247,706,008

27. FINANCE EXPENSES

	VND	
	Current year	Previous year
Losses due to merger of a subsidiary	92,373,923,703	-
Loan interest	17,051,419,774	22,211,159,257
Foreign exchange losses	754,718,829	794,277,076
TOTAL	110,180,062,306	23,005,436,333

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Selling expenses	62,166,873,573	35,420,743,670
Expenses for external services	44,336,668,244	23,741,574,357
Labor cost	16,819,101,750	10,399,482,091
Others	1,011,103,579	1,279,687,222
General and administrative expenses	212,080,120,358	57,009,307,656
Provision (reversal of provision)	149,545,044,325	(161,862,360)
Labor cost	40,156,702,856	30,996,798,872
Expenses for external services	14,258,535,526	17,898,458,050
Depreciation and amortization	4,562,053,401	3,972,212,770
Others	3,557,784,250	4,303,700,324
TOTAL	274,246,993,931	92,430,051,326

29. OTHER INCOME AND OTHER EXPENSES

	VND	
	Current year	Previous year
Other income	3,307,116,378	47,356,126,827
Gains from disposal of fixed assets	1,421,796,521	40,247,803,721
Others	1,885,319,857	7,108,323,106
Other expenses	(262,292,315)	(4,894,089,415)
Losses from disposal of tools and supplies	-	(4,167,099,719)
Penalty paid	-	(210,206,730)
Others	(262,292,315)	(516,782,966)
NET OTHER PROFIT	3,044,824,063	42,462,037,412

30. PRODUCTION AND OPERATING COSTS

	VND	
	Current year	Previous year
Raw materials	1,237,593,696,798	1,109,148,142,571
Provision (reversal of provision)	149,545,044,325	(161,862,360)
Labor cost	125,343,778,947	81,426,369,316
Depreciation and amortization (Notes 13, 14 and 15)	38,206,324,724	24,920,110,861
Others	129,776,369,399	99,972,910,521
TOTAL	1,680,465,214,193	1,315,305,670,909

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended**31. CORPORATE INCOME TAX**

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

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

31.1 CIT expenses

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	-	27,155,331,954
Deferred tax expense	9,395,686,527	10,933,891,270
TOTAL	9,395,686,527	38,089,223,224

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

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	158,686,238,525	92,025,889,691
At CIT rate 20%	31,737,247,705	18,405,177,938
<i>Adjustments:</i>		
Non-deductible expenses	224,903,200	19,684,045,286
Dividend declared	(68,000,000,000)	-
Loss due to merging	18,474,784,741	-
Tax losses not yet recognized as deferred tax assets	26,958,750,881	-
CIT expense	9,395,686,527	38,089,223,224

31.2 Current tax

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

31. CORPORATE INCOME TAX (continued)

31.3 Deferred tax

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

	Separate balance sheet		Separate income statement	
	Ending balance	Beginning balance	Current year	Previous year
Available tax losses for offset against future taxable income	91,313,598,632	100,709,285,159	(9,395,686,527)	(10,933,891,270)
Net deferred tax asset	91,313,598,632	100,709,285,159	-	-
Net deferred tax charge to separate income statements			(9,395,686,527)	(10,933,891,270)

31.4 Tax losses carried forward

The Company is entitled to carry tax loss forward to offset against taxable income arising within five (5) years subsequent to the year in which the loss was incurred. At the separate balance sheet date, the Company had aggregated accumulated tax losses of VND 691,303,314,271 (31 December 2020: VND 603,906,699,987) available for offset against future taxable income. Details are as follows:

Originating year	Can be utilized up to	Tax loss amount	Utilized up to 31 December 2021	Forfeited up to 31 December 2021	Unutilized at 31 December 2021
2016 (*)	2021	418,707,484	-	(418,707,484)	-
2018 (*)	2023	325,910,423,050	-	-	325,910,423,050
2019 (*)	2024	277,577,569,453	-	-	277,577,569,453
2021 (**)	2026	87,815,321,768	-	-	87,815,321,768
TOTAL		691,722,021,755	-	(418,707,484)	691,303,314,271

(*) Tax loss as per tax assessment minutes.

(**) Estimated tax loss as per the Company's corporate income tax declaration for the year ended 31 December 2021 has not been audited by the local tax authorities as of the date of these separate financial statements.

The deferred tax assets amounting to VND 46,947,064,222 were not recognized in respect of the remaining tax loss VND 234,735,321,109 because future taxable income cannot be ascertained at this stage.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

32. TRANSACTION WITH RELATED PARTIES

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

VND				
Related parties	Relationship	Transactions	Current year	Previous year
IPC	Subsidiary	Purchase of goods and materials	356,914,667,803	172,046,629,798
		Sale of goods and materials	176,780,924,014	203,638,404,071
		Purchase of machinery	2,349,022,378	15,640,868,343
		Premises rental income	1,957,000,000	2,901,000,000
		Sale of machinery	1,081,076,824	-
NNI	Subsidiary	Sale of goods	214,657,597,741	228,941,498,760
		Purchase of goods	123,498,664,085	66,753,154,300
		Machinery rental fee	20,239,200,000	11,636,533,000
		Purchase of machinery	12,246,753,888	2,254,987,758
VNP (*)	Subsidiary	Purchase of goods	4,892,263,314	81,755,927,807
		Machinery rental fee	2,642,032,386	440,338,731
		Sale of goods and materials	55,000,000	70,024,857,124
		Machinery rental income	-	1,450,000,000
		Sales return	-	66,234,333

(*) VNP merged into NNC on 1 July 2021

Global Cap Single Member Limited Liability Company ("GCC") (**)	Subsidiary	Purchase of goods and materials		
			-	81,916,885,700
		Sale of goods	-	11,594,515,188
		Sale return	-	1,357,620,000

(**) GCC merged into IPC on 31 December 2020

Others affiliates	Lending	-	15,000,000,000
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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

32. TRANSACTION WITH RELATED PARTIES (continued)

Transactions with other related parties

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

	VND	
	Current year	Previous year
Salaries and bonus	25,957,524,630	23,056,521,820

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

				VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables				
NNI	Subsidiary	Sale of goods	257,909,548,425	195,582,663,100
IPC	Subsidiary	Sale of goods and materials	192,945,597,724	44,680,167,310
VNP	Subsidiary	Sale of goods and materials	-	12,894,862,011
TOTAL			450,855,146,149	253,157,692,421
Short-term trade payables				
IPC	Subsidiary	Purchase of goods and materials	209,353,662,592	354,381,569,430
NNI	Subsidiary	Purchase of goods	67,055,295,175	75,138,485,794
VNP	Subsidiary	Purchase of goods	-	43,099,389,598
TOTAL			276,408,957,767	472,619,444,822

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

33. OPERATING LEASE COMMITMENT

The Company as a lessee

The Company leases offices and warehouse under operating lease arrangements. The minimum lease commitment as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	8,321,159,700	18,267,709,200
From 1 – 5 years	14,280,764,400	3,381,237,000
TOTAL	22,601,924,100	21,648,946,200

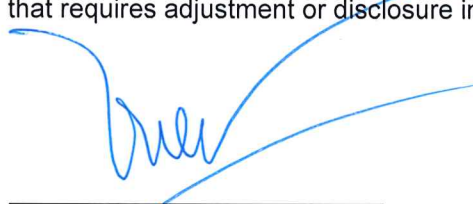
The Company as a lessor

The Company lets out machines under operating lease arrangements. The future minimum rental receivables as at the balance sheet dates under the operating lease agreements are as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	1,800,000,000	2,064,000,000
From 1 – 5 years	2,550,000,000	6,414,000,000
TOTAL	4,350,000,000	8,478,000,000

34. EVENT AFTER THE BALANCE SHEET DATE

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


Dong Thi Ngoc Trieu
Preparer cum Chief Accountant



La Bui Hoang Nghia
Chairman

8 April 2022