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A LEADING  
AGRICULTURAL  
COMPANY IN  
VIET  
NAM







● **CLICK THE LOGO OF BaF**  
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# ANNUAL 4.0 MODERN

# REPORT TRANSPARENT

BaF's 2022 Annual Report integrates many advanced modern functions in the electronic version to improve the reader's experience and encourage the use of paper and printing to be minimized in a joint effort to protect the environment.

BaF presents this 2022 Annual Report with vivid images, tight layout, accurate and transparent information, fully complying with the content as prescribed in Appendix IV, Circular 96/2020/TT-BTC.

● **CLICK ON DOCUMENTS' NAME**  
TO VIEW DETAILED INFORMATION

● **CLICK ON THIS PAGE'S BACKGROUND**  
TO VIEW VIDEO OF MODERN, CLOSED,  
INTERNATIONAL STANDARD 4.0 FARMS  
OF BaF.



**THE GLOBAL GOALS**  
For Sustainable Development

The Sustainability Report is aligned with the 17 Goals of the United Nations, which is consistent with the Sustainable Vision of BaF, and committed to complying with the Sustainability Framework of the International Finance Corporation (IFC) and the World Bank Group.

**SUSTAINABILITY REPORT 096**





# A NOBLE MISSION

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## COMPANY INFORMATION



### IMPROVE THE QUALITY OF LIFE

#### NAME IN VIETNAMESE

CÔNG TY CỔ PHẦN NÔNG NGHIỆP BaF VIỆT NAM

#### NAME IN ENGLISH

BaF VIETNAM AGRICULTURE JOINT STOCK COMPANY

#### ABBREVIATION NAME

BaF,JSC

#### CERTIFICATE OF

#### BUSINESS REGISTRATION NO

0107795944

#### CHARTER CAPITAL

VND 1,435,200,000,000

One trillion four hundred thirty-five billion  
two hundred million Vietnamese Dong

#### STOCK CODE

BAF VN

#### ISIN CODE

VN000000BAF1



<https://baf.vn>



[info@baf.vn](mailto:info@baf.vn)



+84-76-607-4787 | +84-274-246-1517



#### EXECUTIVE OFFICE

9th Floor, Vista Tower, 628C Song Hanh Street  
Hanoi Highway, An Phu Ward, Thu Duc City  
Ho Chi Minh City 70000, Vietnam



#### HEAD OFFICE

62 Song Hanh Street, Hanoi Highway  
An Phu Ward, Thu Duc City  
Ho Chi Minh City 70000, Vietnam





## BUSINESS PHILOSOPHY

### VISION

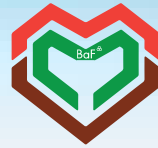


#### IN 2030, BaF WILL BE AMONG THE TOP 3 LIVESTOCK COMPANIES IN VIETNAM

pioneer in operating and perfecting the 3F integrated chain, applying modern livestock technology, and becoming the leading clean pork brand in the country.

BaF will fully control the value chain in the agriculture and food industry through operating a closed model from raw materials, feed factories, modern livestock farms, slaughterhouses, meat processing, and distribution systems to the end consumers' hands.

### MISSION



#### IMPROVE THE QUALITY OF LIFE

BaF is a Vietnamese pioneering company in providing clean, fresh, nutritious food, with closed 3F integrated chain "from farm to table". BaF will support farmers, and accompany them in developing animal husbandry associated with the BaF supply chain, while also fulfilling the responsibility of preserving and protecting the environment, contributing to the development of society and country.

### CORE VALUES



#### PRESTIGE - DEVOTION – AMBITION

It is the guiding principle in every action of BaF, driving the BaF team to strive and make daily efforts to bring the best values to the organization and society.

## TARGETS 2030

#### MARKET SHARE

8 - 10%

#### TOTAL HERD

2,500,000

#### COMMERCIAL HOGS

10,000,000

BaF







## BUSINESS PHILOSOPHY

BaF recognizes that there are 5 factors that are decisive for the success, effective development, consistency, and sustainability of the Company. These are also the 5 core elements in BaF's management model.

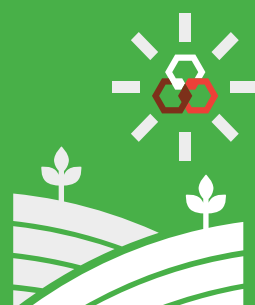
### MANAGEMENT MODEL

# 5 SUCCESS FACTORS



#### BREEDING STRATEGY

BaF is accompanied by the strategic partner - Genesus Group (Canada) - in providing high-quality swine genetics in the Vietnamese market. Genesus Group is a renowned name, ranking in the world's Top 3 for research and production of high-quality breeding pigs, using genetic marking technology in breed selection, with a high reputation in the field of genetic improvement.



#### FARMING TECHNOLOGY

Optimized and modern design, imported livestock equipment from Europe and the United States with world-leading suppliers such as Pigtek, GSI, Big Dutchman, SkioId, etc. BaF's breeding pig farm system ensures absolute stability and biosafety. The development strategy on a large scale, following the centralized standardization model, helps optimize operation, improve efficiency, save energy and other resources.



#### BIOSECURITY

Each factor that affects the farm system, such as the site location, the specifications for building the livestock pens, the operating procedures, and the technical equipment, must strictly adhere to stringent biosafety requirements. Preventing and minimizing the spread of naturally occurring or human-generated biological agents that harm the animals and the livestock ecosystem is crucial for survival.



#### NUTRITION

Identifying animal nutrition as one of the key differentiators for creating high-quality, tasty, tender, safe, and nutritious meat for customers, BaF has taken great care to master the best and most delicious raw materials. The Company collaborates with a team of experienced experts and owns a large-capacity, modern production system. BaF controls the formulas, processes, and optimizes each stage of animal development to ensure the best quality.



#### HUMAN RESOURCES

BaF employs a modern management model that focuses deeply on vertical industry specialization. This management model optimizes the synchronization and consistency in strategic operations between the leadership team, specialized departments, and operational teams at various units. Therefore, decisions are made quickly, accurately, and with the coordination of all areas in the closed FEED-FARM-FOOD ecosystem.



# VOYAGE TO THE GREAT OCEAN

## 2017

On 07 April 2017, BaF Vietnam Agricultural Joint Stock Company was officially established with a charter capital of VND 100 billion.

## 2021

Investing and inaugurating the retail supermarket chain SIBA FOOD.

Successfully conducting IPO and listing BaF shares on the Ho Chi Minh City Stock Exchange (HOSE).

Operating the BaF Tay Ninh Animal Feed Factory with an area of 30,000m<sup>2</sup> and a capacity of 200,000 tons/year.

## 2018 - 2019

BaF operates 10 pig farms for meat and breeding across multiple provinces.

In March 2018, BaF and Skiold (Denmark) signed a cooperation agreement. Skiold will provide technical solutions for BaF's farms both domestically and internationally.

## 2020

BaF signed a strategic partnership contract with Genesus on the source of high quality pig breeds in Vietnam market.

Increased the capacity of Phu My Animal Feed Factory to 4,500 tons per month.

Increased the charter capital to VND 500 billion.

Signed a contract with Masan to supply 150,000 pork in 2021, ensuring the output of pork.

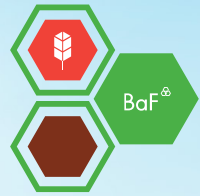






# STEADFAST THROUGH THE STORMS

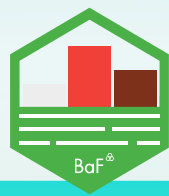
2022 is truly a year full of difficulties, challenges, like a global-scale hurricane that deeply affects all countries, industries, and economic components. Despite that, the BaF Ship still stands strong, overcoming storms and leaving a complete year of prideful voyage towards new horizons.



**EXCLUSIVE**  
VEGETARIAN BRAN



**LEADING**  
ENTERPRISE POSITION



**COMPLETE**  
BUSINESS RESULT





STEADFAST THROUGH THE STORMS

## AN EXCLUSIVE VEGETARIAN BRAN

On 26 October 2022, BaF organized the launch of "Vegetarian-Fed Pork" brand, called BaF Meat. This special type of pork has a natural pinkish-red color, good elasticity, and low water content. When cooked, the meat produces more juice, fewer bubbles, and is tender, flavorful, and not greasy.

BaF's "Vegetarian-Fed" pigs only consume food made from an exclusive formula of 100% plant-based and plant protein sources - Vegetarian Bran. The formula is rigorously researched and screened from fresh raw materials using modern production facilities.



HỢP BÁO THƯƠNG HIỆU

# BaF Meat

TP. HCM, 26.10.2022

ĐƯỢC NUÔI từ **100%** THỨC ĂN GỐC ĐẠM THỰC VẬT







## STEADFAST THROUGH THE STORMS A LEADING ENTERPRISE

### STRATEGIC COOPERATION WITH IFC

On 23 February 2023, the Strategic Partnership Announcement and Investment Signing Ceremony between the International Finance Corporation (IFC) and BaF took place at Vinpearl Landmark 81 Hotel.

IFC - a member of the World Bank Group - is the largest global institution focused on supporting the private sector in developing countries.

IFC will provide a funding package consisting of up to VND 600 billion in convertible bonds and VND 300 billion in ordinary bonds to BaF, equivalent to USD 39 million.

In addition to the financial support package, IFC will advise and support BaF in applying environmental and social standards to its business operations, aiming for sustainable development with the vision of becoming one of the Top 3 leading livestock companies in Vietnam.



# LỄ CÔNG BỐ ĐỐI TÁC CHIẾN LƯỢC VÀ KÝ KẾT CÁC HỢP ĐỒNG ĐẦU TƯ

## Strategic Partnership Announcement and Signing Ceremony of Investment Agreements

HỒ CHÍ MINH - NGÀY 23/02/2023  
Ho Chi Minh - February 23, 2023

ĐƠN VỊ TƯ VẤN ĐỘC QUYỀN  
Ho Chi Minh - February 23, 2023





# BaF



STEADFAST THROUGH THE STORMS  
**A LEADING  
ENTERPRISE POSITION.**

## STRATEGIC COOPERATION WITH NIKKOKU VIETNAM

On 26 October 2022, within the framework of the Launching Ceremony of the "Vegetarian-Fed Pork" brand, BaF signed a strategic cooperation agreement with Toyo System & Nikkoku Vietnam Co., Ltd - a member of Nikkoku Trust, one of the largest corporations in Japan.

# LỄ KÝ KẾT HỢP TÁC CHIẾN LƯỢC

CÔNG TY CỔ PHẦN NÔNG NGHIỆP  
BAF VIỆT NAM



CÔNG TY TNHH TOYO SYSTEM &  
NIKKOKU VIETNAM

TP HCM 26.10.2022







STEADFAST THROUGH THE STORMS

## A LEADING ENTERPRISE POSITION

### MAIN SPONSORSHIP FOR 2022 NATIONAL CUP CHAMPIONSHIP

The Vietnam Professional Football Company (VPF) officially announced that BaF would sponsor the tournament over the 2022 season, and the event will be named the BaF Meat National Cup.

"The BaF company's trust to go along with VPF in organising and managing activities helps give VPF confidence in the tournament's success. I hope that our cooperation will contribute to national football development," said Mr Nguyen Minh Ngoc - VPF General Director.

Meanwhile, Ms Bui Huong Giang - CEO of BaF, said: "We are pleased to join our hands in organising the event and pushing local football."

"Being the main sponsor of the National Cup is a chance for BaF to show our social responsibility and connect with the community. I believe that the cooperation between BaF and VPF will bring a competitive tournament and beautiful matches to supporters."





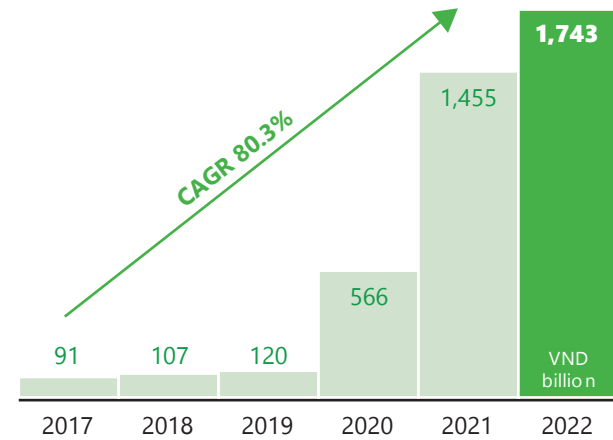


STEADFAST THROUGH THE STORMS

# A COMPLETE BUSINESS RESULT

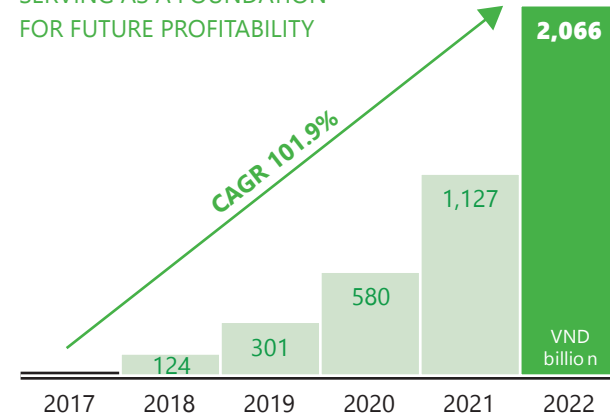
## OWNERS' EQUITY

CONTINUOUSLY GROWING



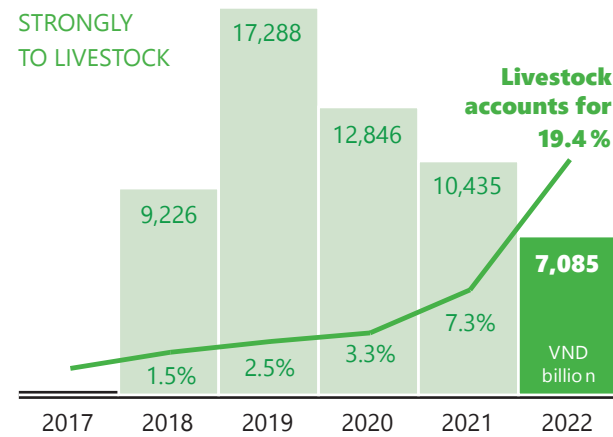
## NON-CURRENT ASSETS

INCREASE STRONGLY,  
SERVING AS A FOUNDATION  
FOR FUTURE PROFITABILITY



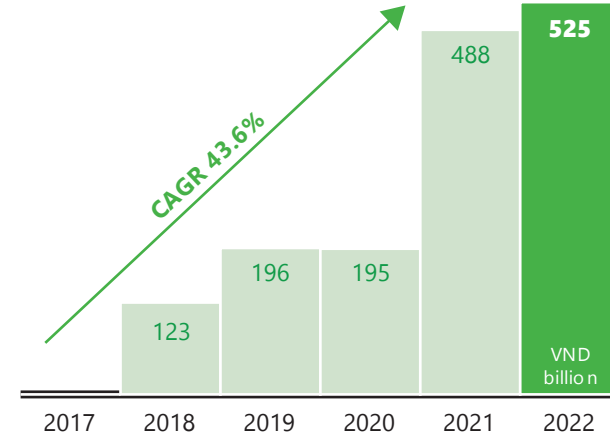
## TOTAL REVENUE

SHIFTING  
STRONGLY  
TO LIVESTOCK



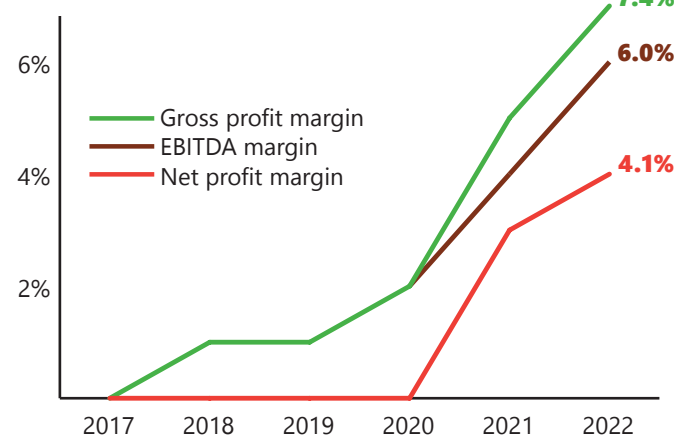
## GROSS PROFIT

REACH ALL-TIME HIGH



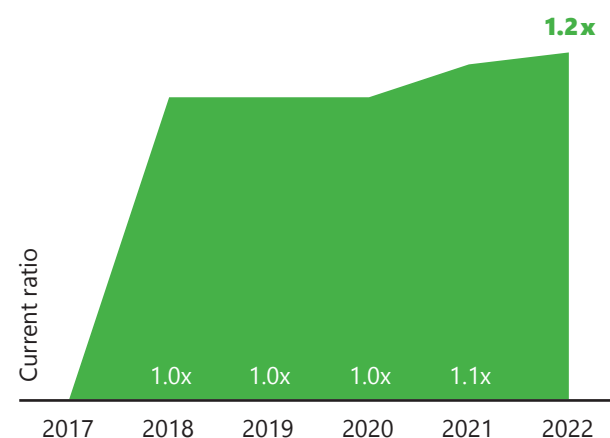
## PROFIT MARGINS

HIT A 6-YEAR RECORD  
THANKS TO LIVESTOCK



## SOLVENCY

IS STRENGTHENED,  
MAINTAINING SAFETY THRESHOLD



ITEMS	2020	2021	2022
SOLVENCY			
Short-term payment ratio	1.0x	1.1x	1.2x
Quick ratio	0.79x	0.84x	0.72x
CAPITAL STRUCTURE			
Financial liabilities / Equity	13.2%	11.2%	54.9%
Financial liabilities / Total assets	1.4%	3.0%	20.2%
Current assets / Total assets	88.9%	79.4%	56.3%
OPERATION EFFICIENCY			
Total asset turnover	2.2x	2.0x	1.4x
Inventory turnover	27 ngày	38 ngày	55 ngày
Cash conversion cycle	58 ngày	74 ngày	82 ngày
PROFITABILITY			
Gross profit margin	1.5%	4.7%	7.4%
Net profit margin	0.36%	3.08%	4.06%
ROE	13.4%	31.9%	17.9%
ROA	0.8%	6.0%	5.6%
Operating profit / Net revenue	0.5%	3.7%	4.8%





## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

### DEAR VALUED INVESTORS, CUSTOMERS, AND PARTNERS!

I am delighted to share with you about the Voyage of Steadfast Through The Storms in the past year of BaF.

The COVID-19 pandemic has just passed, but inflation and unpredictable fluctuations continue to cast a shadow over every aspect of the economy and society. Armed conflicts between two agricultural exporting powers, Russia and Ukraine, as well as China's strict zero-covid policy, continue to disrupt supply chains, increase operating costs, and cause erratic commodity prices. The overall economy in almost every sector has to face challenges. However, for the livestock industry, we still have to fight against the risk of African Swine Fever (ASF) - a direct threat to the livestock industry, the main cause of a significant reduction in pig herds, and a serious risk to food security and sanitation in some African and Asian countries.

Regarding market prices, although pork prices have sometimes recovered, they suddenly fell sharply from the second half of the year due to weak demand, while input costs, from feed prices to operational, production and post-production costs, have all skyrocketed.

### THAT IS AN UNPRECEDENTED CHALLENGE! A REAL STORM!

Despite facing a storm, the BaF Ship still stands strong and weathers the waves. The team of 1,108 BaF members under the leadership of the Board of Directors, as well as the support of investors,

customers and partners, have united and made efforts to achieve many successes and essentially completed the responsibilities and business plans entrusted by the General Meeting of Shareholders ("GMS").

In 2022, BaF sold over 303,500 pigs and 596,058 tons of commercial business of ingredients, contributing to stabilizing the market and maintaining food security. In terms of revenue, the Company earned VND 7,085 billion for the year. The livestock segment alone generated VND 1,373 billion in revenue, nearly doubling the figure from the same period last year, and accounting for 19% of the total revenue structure, up from 7% in 2021. The shift in revenue structure helped the gross profit margin reach 7.4%, a significant increase from 4.7% in the same period last year, thanks to the high gross profit margin of 25% in livestock segment, which helped the Company record VND 525 billion in gross profit - the highest in operation's history.

We cannot overlook the breakthrough achievement of BaF in the past year, which is the research of the Vegetarian Bran - 100% plant-based feed formula, and the successful introduction of the Vegetarian-Fed Pork brand. In the livestock market with many well-known foreign and domestic brands, we believe that BaF's Vegetarian-Fed Pork is creating truly differentiated values. The difference comes not only from the name but also from all the efforts in researching and developing the FEED - FARM - FOOD

ecosystem to produce high-quality products for Vietnamese consumers. Aligned with applying the best practices in the animal husbandry, which are internationally recognized for the entire supply chain from livestock feed production, farming to food production and supply, BaF is gradually asserting its top position among domestic animal husbandry companies, pioneering in high-tech animal husbandry. And most importantly, ensuring a reliable supply of clean pork for consumers, contributing to raising animal husbandry practices to international standards in Vietnam.

In addition, BaF has been actively seeking international partners to accompany them in developing high-tech animal husbandry in Vietnam. This is a condition for promoting potential businesses, ambitious and ready to act like BaF to make even greater progress, not only achieving high efficiency in business results but also promoting the value of a sustainable development enterprise. In a broader picture, in a longer-term goal, this is a condition for promoting competition and increasing value for the Vietnam's agriculture.

And we believe that "Steadfast Through The Storms" is the spirit, is the action!

Best regards,

**TRUONG SY BA**  
Chairman of the BOD





## MESSAGE FROM THE CEO

### DEAR VALUED INVESTORS, CUSTOMERS, AND PARTNERS!

On 26 October 2022, BaF held a ceremony to announce the brand BaF Meat “Vegetarian-Fed Pork”, marking a significant turning point in BaF’s six-year voyage. For the first time, Vietnamese consumers have the opportunity to consume pork products that are raised on a 100% plant-based, vegetarian diet. Additionally, BaF Meat commits to not using any growth-promoting agents or unsafe food hygiene standards.

Upon its launch, the Vegetarian-Fed Pork brand has attracted significant attention from both the media and consumers due to its unique meaning and distinct quality. It has contributed to helping BaF overcome a challenging year and achieved encouraging results.

In 2022, the Company recorded a net revenue of VND 7,083 billion, mainly from livestock and commercial business of ingredients, exceeding the business plan assigned by the GMS by 19%. The revenue structure underwent a strong shift with the contribution of 19% from VND 1,373 billion in livestock revenue, an 80% increase in value and significantly higher than the 7% proportion in 2021. The number of Vegetarian-Fed pigs sold during the year reached 303,500, double that of the same period and in line with BaF’s strategy to become a modern livestock corporation, pioneering the 3F model in Vietnam.

Despite being oriented towards streamlining due to low profitability and potential risks, BaF’s position in the agricultural commodity market is still very strong with a trading volume of 596,058 tons of commercial business of ingredients in 2022, helping the Company proactively source animal

feed ingredients and optimize costs. As a result, the gross profit margin of the livestock segment reached 25%, driving the consolidated gross profit margin to exceed 7.4%, a significant increase compared to the 4.7% of the same period. Deducting expenses, BaF earned a net profit of VND 288 billion after tax, and the net profit margin increased slightly from 3.1% of the same period to 4.1%, the highest since establishment.

Along with positive business indicators, BaF has been continuously investing in expanding and perfecting its modern 3F integrated chain, closed according to the FEED-FARM-FOOD chain.

As of 31 December 2022, the Company operates 3 animal feed factories with a total capacity of 460,000 tons/year. BaF Tay Ninh is the first factory in Vietnam to achieve both the highest international certifications in the industry, GLOBAL G.A.P. and FSSC 22000 version 5.1, at the same time. These standards will also be applied to the remaining animal feed factories in the entire system.

The Company also owns over 20 pig farms with a scale of more than 200,000 pigs, rising to the Top 5 largest pig farming enterprises in Vietnam. The plan to build processing and slaughtering facilities has also been specifically outlined through an agreement signed with Tay Ninh Province regarding the development of a production, processing, and preservation complex with a scale of 50,000 tons of meat per year.

The Company’s total assets scale reached VND 4,729 billion. The asset quality was optimized with a structure

## VEGETARIAN-FED PORK

has attracted a lot of attention from consumers due to its unique meaning and distinctive quality.

of profitable assets such as fixed assets increased significantly while the structure of non-profitable assets, mainly accounts receivable, decreased sharply. The capital structure and payment ratios were maintained at a reasonable and safe level.

A year full of storms requires us to face them head-on, but the harder the voyage, the sweeter the rewards. The achievements that BaF has accomplished in the past year are certainly not the final destination. In the voyage of “Improve the Quality of Life,” with all our hearts, aspirations, and relentless efforts of the leadership and employees, with the trust and companionship of our valued shareholders and partners, I believe that we will continue to achieve new victories and successfully achieve new goals in the coming years.

Best regards,

**BUI HUONG GIANG**  
Chief Executive Officer







# A PIONEERING MODEL

ORGANIZATIONAL STRUCTURE

032

GOVERNANCE MODEL

034

LEADERSHIP

036

MANAGEMENT TEAM

040

BaF INTEGRATED CHAINS

042

DEVELOPMENT STRATEGY

050

VEGETARIAN FED

PORK





## ORGANIZATIONAL STRUCTURE

**17 SUBSIDIARIES**

**14 FARM COMPANIES**

**03 FEED / FOOD COMPANIES**

**07 PROVINCES**

ANH VU PHU YEN COMPANY LIMITED	100.0%
BAO NGOC LIVESTOCK COMPANY LIMITED	100.0%
MINH THANH LIVESTOCK PRODUCTION TRADING SERVICE COMPANY LIMITED	98.0%
BAC AN KHANH PRODUCTION TRADING SERVICE COMPANY LIMITED	98.0%
DONG AN KHANH PRODUCTION TRADING SERVICE COMPANY LIMITED	98.0%
NAM AN KHANH LIVESTOCK COMPANY LIMITED	98.0%
GREEN FARM 1 INVESTMENT COMPANY LIMITED	98.0%
GREEN FARM 2 INVESTMENT COMPANY LIMITED	98.0%



**BaF VIETNAM AGRICULTURAL  
JOINT STOCK COMPANY**



**SIBA FOOD**

SIBA FOOD VIETNAM JOINT STOCK COMPANY

10.2%

HAI DANG TAY NINH HIGH-TECHNOLOGY LIVESTOCK JOINT STOCK COMPANY 99.4%

SONG HINH HIGH-TECHNOLOGY LIVESTOCK COMPANY LIMITED 100.0%

KIM HOI LIVESTOCK SERVICES TRADING JOINT STOCK COMPANY 99.9%

TAM HUNG SERVICES TRADING COMPANY LIMITED 99.0%

TAN CHAU AGRICULTURE INVESTMENT COMPANY LIMITED 99.9%

THIEN PHU SON EXPORT IMPORT TRADING PRODUCTION COMPANY LIMITED 100.0%

BaF BINH DINH AGRICULTURAL JOINT STOCK COMPANY 98.0%

BaF MEAT BINH PHUOC ONE MEMBER COMPANY LIMITED 100.0%

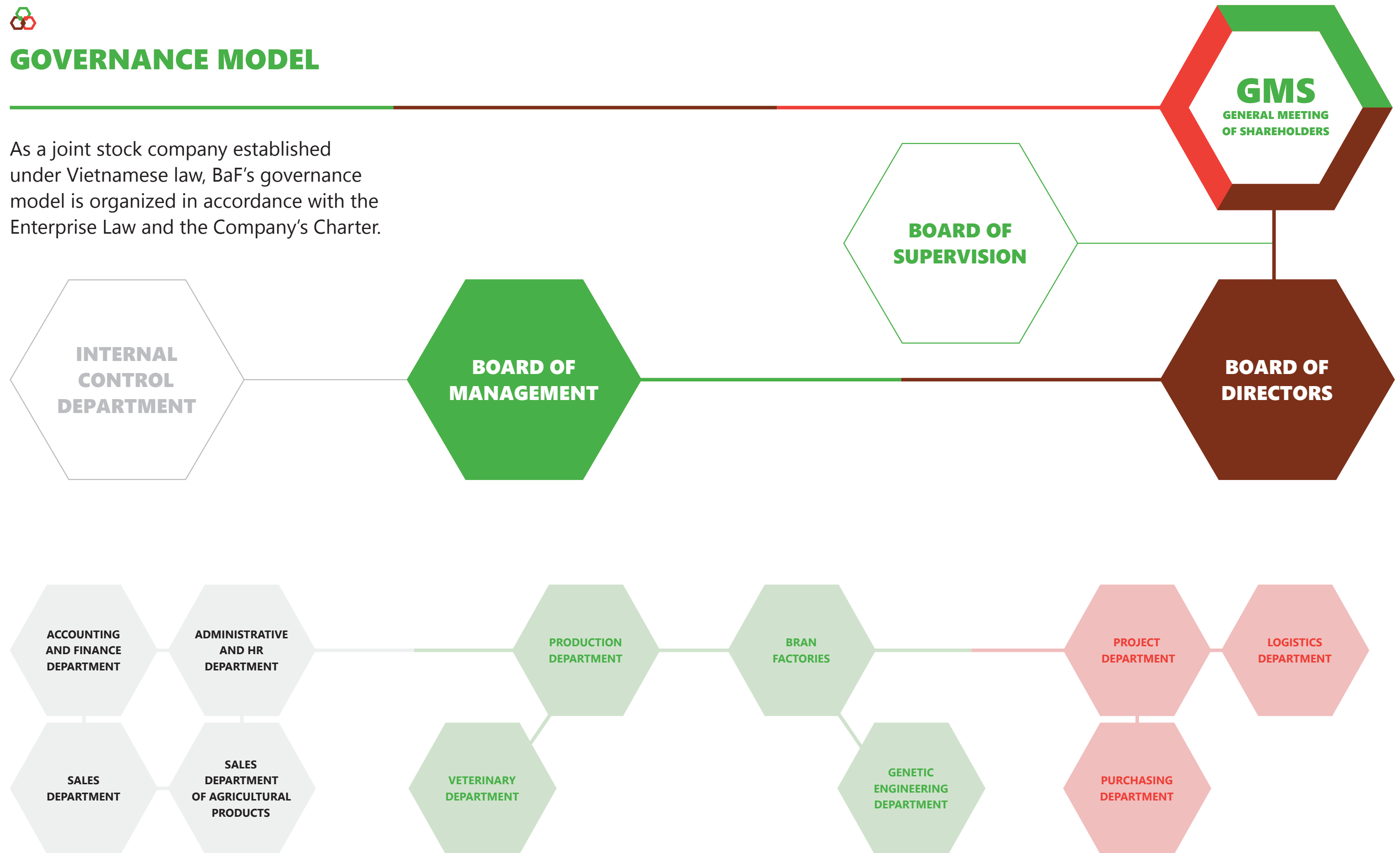
BaF TAY NINH FEED JOINT STOCK COMPANY 99.0%





## GOVERNANCE MODEL

As a joint stock company established under Vietnamese law, BaF's governance model is organized in accordance with the Enterprise Law and the Company's Charter.







# Mr TRUONG SY BA

Chairman of the BOD

Mr Truong Sy Ba became the highest leader of BaF since March 2022. Under the skillful leadership of the talented Captain, BaF has overcome a challenging business year with many achievements.

As a visionary and passionate leader in Vietnam's agriculture, Chairman Ba has founded and led Tan Long Group for over two decades to become one of the largest agriculture conglomerates in Vietnam with billions of USD in annual revenue.

QUALIFICATIONS

National Economics University of Hanoi  
Bachelor's Degree in Economics

OTHER POSITIONS

Tan Long Group Joint Stock Company  
Chairman of the BOD / CEO

Siba Holdings Joint Stock Company  
Chairman of the BOD

Thien Long Mineral Exploitation and Export Joint Stock Company  
Chairman of the BOD

Song Lam Nghe An Football Club  
Chairman



LEADERSHIP

## BOARD OF DIRECTORS

<b>Mr TRUONG SY BA</b> Chairman of the BOD	Details on page 37
<b>Ms BUI HUONG GIANG</b> Member of the BOD / CEO	Details on page 38
<b>Mr PHAN NGOC AN</b> Member of the BOD / Deputy CEO	Details on page 38
<b>Mr BUI QUANG HUY</b> Independent member of the BOD	Details on page 37
<b>Mr LE XUAN THO</b> Non-executive member of the BOD	Details on page 37

Mr BUI QUANG HUY

Independent member of the BOD



Mr Huy was elected to the BOD as an independent member since March 2021. With extensive management experience, he has held leadership positions in both private (High-Tech Mechanical Engineering Group) and state-owned organizations (Song Hong Company, Dong Bac Corporation - Vietnam Ministry of Defence)

QUALIFICATIONS

Master

OTHER POSITIONS

None

Mr LE XUAN THO

Non-executive member of the BOD



Mr Tho has been a Member of the BOD since March 2021, after serving as Deputy CEO of BaF from December 2017 to March 2020. Prior to joining BaF, Mr Tho held leadership positions at subsidiaries of the Vietnam Chemical Group (VINACHEM), including DAP No. 2 Joint Stock Company and Vietnam Chemical Finance Corporation.

QUALIFICATIONS

Univeristy

OTHER POSITIONS

None





## LEADERSHIP

# BOARD OF MANAGEMENT



### Ms BUI HUONG GIANG

Member of the BOD / CEO

With over 20 years of experience in business management and operation, Ms Giang has laid the foundation for building many strong and successful companies, including the leading animal feed ingredient supplier in Vietnam.

Ms Giang serves as the CEO of BaF since July 2020 and has led BaF to achieve many accomplishments alongside the BOM.

#### QUALIFICATIONS

Bachelor of Economics

#### OTHER POSITIONS

Member companies of BaF  
Leaders

### Mr PHAN NGOC AN

Member of the BOD / Deputy CEO

Mr An has over 14 years of experience holding management positions in the fields of animal feed, livestock, poultry, breeding pigs, and more at GreenFeed Vietnam, Nong Lam Vina, and UsAgri Vietnam. In addition, Mr. An also has 9 years of experience in finance and accounting at leading FDI companies such as Coca-Cola Vietnam and Prudential Vietnam.

### Mr NGUYEN TIEN THANH

Standing Deputy CEO

With 26 years of experience in the animal husbandry industry, Mr Thanh has held various positions including Production Director at Cargill Group (USA); Lecturer at the Faculty of Veterinary Animal Husbandry, Ho Chi Minh City University of Agriculture and Forestry; Technical Director and Training Manager of farming operations, High-Tech Pig Farm Project Director, and FARM Operations Director of GreenFeed. Prior to joining BaF as the Standing Deputy CEO in July 2022, he was the General Director of Big Dutchman (Germany).

#### QUALIFICATIONS

Bachelor of Finance and Accounting  
Master of Business Administration

#### OTHER POSITIONS

None

#### QUALIFICATIONS

Bachelor of Business Administration  
Doctor of Animal Science

#### OTHER POSITIONS

None





## LEADERSHIP

# BOARD OF SUPERVISION

### Mr NGUYEN THANH HAI

Head of the BOS



Mr Hai holds the position of Head of the BOS since March 2021. Prior to this, Mr Hai was the Head of Internal Control Department ("ICD") at BaF. He has extensive experience in finance and accounting, having previously served as the Assistant to the General Director of Saigon Diamond Corporation.

#### QUALIFICATIONS

Bachelor of Accounting and Auditing

#### OTHER POSITIONS

None

### Mr NGUYEN QUOC VAN

Member of the BOS

Mr Van has been a member of the BOS since March 2021, specializing in project inspection. He holds a Bachelor's degree in Construction.

### Ms DUONG THI HONG TAN

Member of the BOS

Ms Tan has joint the BOS since March 2021, specializing in document inspection. She holds a Bachelor's degree in Accounting.

### Mr NGUYEN VAN QUYET

Sales Director



### Mr TRUONG SY QUANG

Project Development Director



### Mr NGO CAO CUONG

Chief Accountant



### Mr LE VU TRIEU

FARM Production Director



### Mr VU KHANH DUY

FOOD Production Director



### Ms LE THI MY DUYEN

Procurement and Statistics Director



### Ms LY THI THU THAO

Administration - HR Director



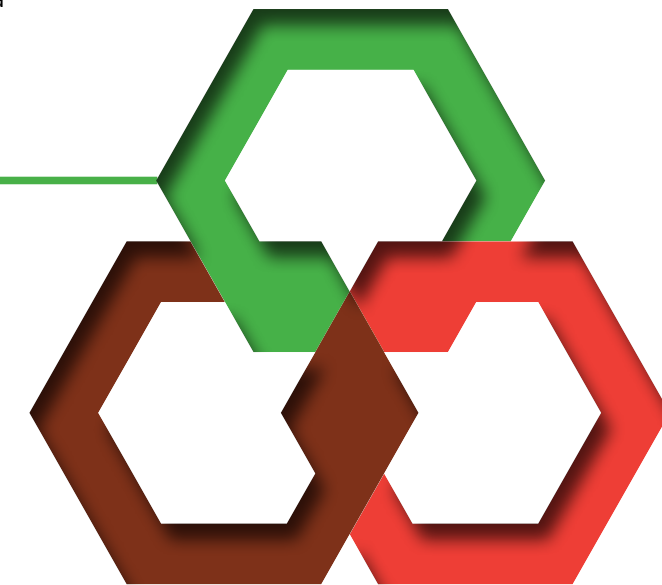
### Ms TRAN THI THU THUY

Nutrition Director



## MANAGEMENT TEAMS

# BaF



### Mr NGUYEN QUANG TIEN

Veterinary - Disease Director



### Mr NGUYEN NGOC PHUC

Genetic Engineering Director







**BaF**

## FROM LARGE, MODERN, 4.0 STANDARD VEGETARIAN-FED PIG FARMS

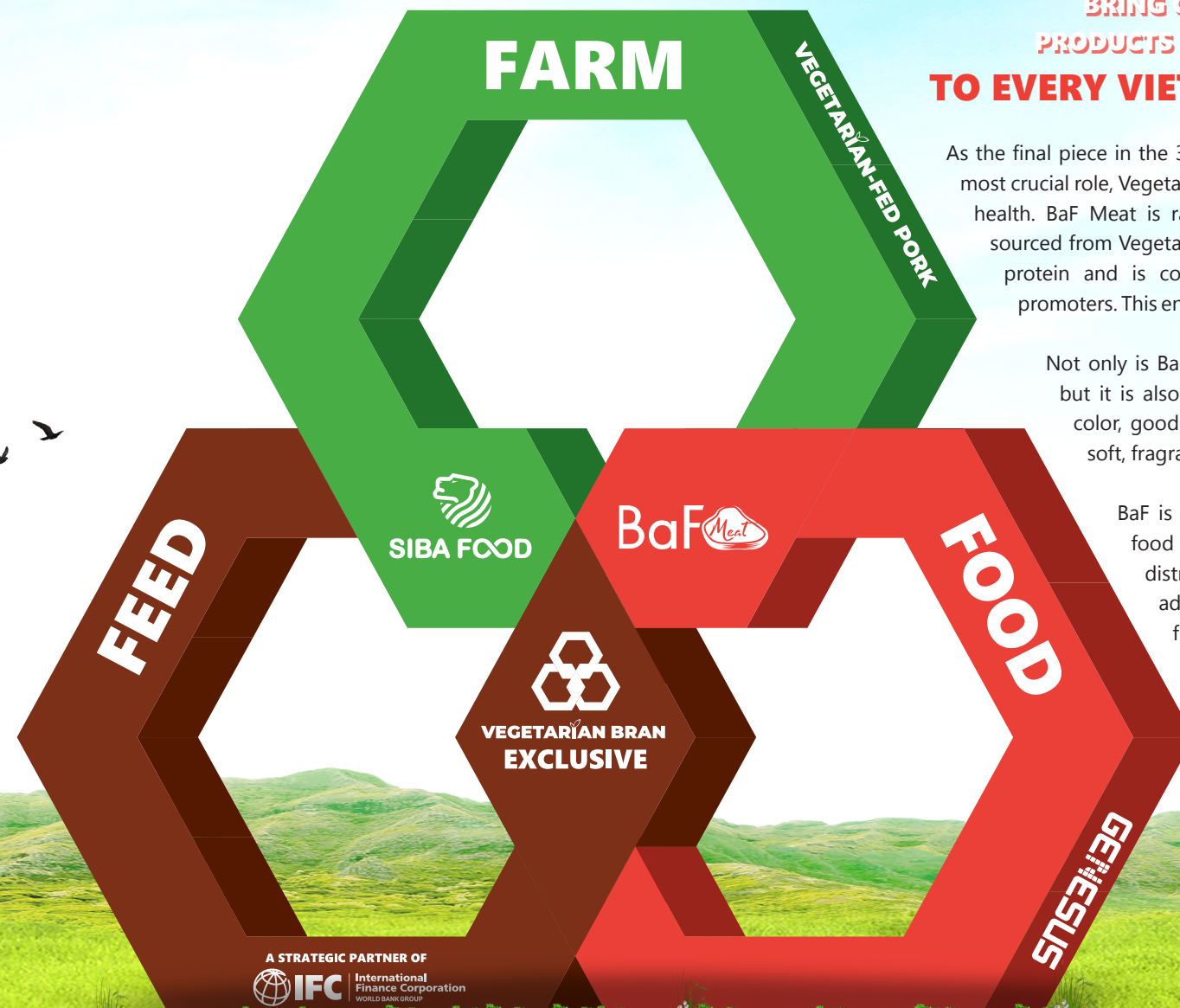
BaF currently owns a system of 20 large-scale, modern, 4.0 standard pig farms spread throughout the territory of Vietnam, with a total herds of 200,000 Vegetarian-Fed Pigs as of the end of 2022.

BaF pursues the modern 4.0 pig farming model using advanced technology imported from Europe. The livestock farm projects are constructed in a standardized and synchronized manner in terms of equipment and technology with leading international standards.



## EXCLUSIVE, SELF-CONTROL, HIGH QUALITY VEGETARIAN BRAN NUTRITION

BaF is proud to fully control the source of animal feed supply. BaF's Vegetarian Bran has an exclusive formula, 100% plant-based ingredients, vegetable protein, and is produced at a factory system that meets the highest international quality standards, including GLOBAL G.A.P. and FSSC 22000.



## BRING CLEAN, FRESH BaF'S MEAT PRODUCTS WITH REASONABLE PRICE TO EVERY VIETNAMESE FAMILY

As the final piece in the 3F integrated chain and playing the most crucial role, Vegetarian-Fed Pork directly affects human health. BaF Meat is raised on a 100% plant-based diet sourced from Vegetarian Bran, which contains vegetable protein and is committed not to use any growth promoters. This ensures 100% food safety and hygiene.

Not only is BaF's Vegetarian-Fed Pork truly clean, but it is also truly delicious with a natural pink color, good elasticity, low water retention, and soft, fragrant, non-greasy texture when boiled.

BaF is investing in modern slaughter and food processing facilities and a wide distribution system to effectively address the problem of supplying fresh, safe, and delicious food to every Vietnamese family's meal.







**BaF**  
**INTEGRATED**

Based on **3 resources**  
BaF develops a differentiated  
nutritional strategy.

## EXCLUSIVE VEGETARIAN BRAN

FORMULA RESEARCHED BY  
**TALENTED TEAM OF EXPERTS**

BaF's team consists of leading experts in animal nutrition, with experience in building proper nutritional strategies for livestock, helping pigs grow and develop quickly, shortening feeding time, and increasing the weight of the pigs at the time of slaughter, thereby enhancing economic efficiency.

## HIGH-QUALITY GLOBAL STANDARDS

100% PLANT-BASED INGREDIENTS  
**FROM THE BEST SOURCES**

The most unique feature of BaF's exclusive Vegetarian Bran formula for pig herds is that it is 100% composed of plant-based ingredients. This formula is completely different from commercial feeds that contain animal-based ingredients such as bone meal, blood meal, feather meal, and fish meal, etc. currently used in the market.

The ingredients are taken from the best, most delicious sources in large quantities, screened, evaluated, and selected according to the standards and roles of each nutrient to ensure balance and safety for animal feed.

## AUTONOMOUS PRODUCTION CAPACITY

TO SERVE 3F INTEGRATED  
CHAINS, WITH

BaF's livestock feed production system is invested with advanced technology, modern equipment transferred from famous corporations in Europe and the United States such as Buhler, Farmsun, etc. It operates with 100% automatic capacity to proactively supply feed for the farm's needs, ensuring and controlling optimal nutrition standards for each stage of pig development.

# 100%

**WHEREVER THE FARM BUILD  
DEVELOP THE FEED FACTORY**



# 3

**FACTORIES**

**TOTAL CAPACITY**  
**460,000**  
**TONS/YEAR**



**FSSC 22000**



**GLOBALG.A.P.**





BaF  
INTEGRATED



OVER **20**  
FARMS

**EXCELLENT BREEED**  
HIGH-QUALITY GENETIC



The increase in pig productivity depends on 3 factors: good breeding, nutritious feed, and good care regime at the farm. Linking breeding research with technology investment is a prerequisite for sustainable development.

In terms of breeding, BaF has signed a strategic partnership contract with the Genesis Group (Canada) to supply pig breeding sources. Genesis is a big name, Top 3 in the world in researching and producing high-quality breeding herds, using gene marking technology in breeding selection, and has a high reputation in genetic improvement.

Genesis purebred pigs are suitable for breeding conditions in Vietnam, with many advantages such as good adaptability, fast weight gain, high reproduction rate, and good offspring rearing. The pigs have a beautiful appearance, thick red meat, thin skin, long body, muscular, high meat-to-bone ratio, and high lean meat percentage, meeting the requirements of producers and consumers.

**MODERN**  
SMART FARMS  
AUTOMATIC OPERATION

**CLOSED**  
BARN - FARM MODEL  
ENSURE BIOLOGICAL SAFETY

**MODEL 4.0**

The model of barn - farm applies modern 4.0 technology with equipment transferred from Europe and the United States, ensuring absolute biological safety compliance, maximum animal health protection and enhancing production capacity.

**VEGETARIAN-FED  
TOTAL HERD**

**TOTAL REFERENCES AREA**

**14 HECTARES**

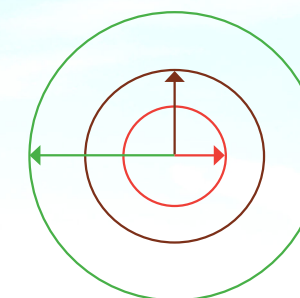
**5,000 GP (\*)**

(\*) Grandparents Pigs

→ **3km** radius to **residential area**

→ **5km** radius to **other farms**

→ **10km** radius to **epidemic arae**



**100%**

**200,000** **PIGS**







**BaF**  
**INTEGRATED**

**MODERN**  
CLOSED PROCESSING  
& WIDE DISTRIBUTION

**DIFFERENCE**  
VEGETARIAN-FED PORK  
TRULY DELICIOUS, FRESH & CLEAN

**PERFECTION**  
3F INTEGRATED  
A PIONEERING MODEL

**100%**



**60**  
**SIBA FOOD**  
**300 BaF**  
**MEAT SHOP**

BaF Meat - Vegetarian Pork is truly different from other products and brands on the market in all aspects. The herd is fed exclusively with vegetarian feed, raised in large, closed 4.0 standard farms, so the meat is truly delicious and ensures food safety and hygiene.

FOOD - the processing and distribution sector, is the final piece of the puzzle to complete the 3F pioneering model "from farm to table", helping BaF enhance its competitiveness, completely control the value chain from inputs to finished products, and proudly deliver the highest quality products to consumers.





## SELLING ANIMAL FEED INTO THE LINKAGE CHAIN

Expanding animal feed factories accompanied by pig farms development.

Combining commercial sales to leverage the advantage of large and stable-priced ingredients' sources. Using the pig breeding distribution channel as leverage to sell commercial feed.

Selling parent breeds to meet the market's demand for restocking.

Selling both pork and pig breeds together to utilize cross-distribution channels.

Supplying high-quality, clean pork for the FOOD segment.

Expand diversity of distribution channels from traditional to modern.

Focus on building internal distribution channels through investment in the SIBA FOOD retail chain.

Provide fresh, delicious, and clean food to Vietnamese consumers at reasonable prices.

## FOCUS ON SERVING INTERNAL DEMAND

Build 2 factories in Nghe An (serving farms in the northern region) and Tay Ninh (serving farms in the southern region).

Completely proactive in controlling the feed source and nutrition for each type of pig.

Reduce the cost of pig farming.

## GENETIC STRATEGY FROM GGP (\*)

Strategic cooperation with Genesus - the Top 3 largest genetic breeding company in the world - to supply high-quality and high-yield pig breeds.

Farm management focuses on applying advanced world-class pen technology, ensuring absolute biological safety and environmental hygiene.

(\*) Grand Grand Parent

## BUILD MODERN PROCESSING FACTORIES

Build modern slaughter and processing factories with European technology; meeting Global GAP, FSSC 22000 standards, ensuring food safety and hygiene.

Optimize production from meat preparation to deep processing, adding value from meat by-products.

## TARGETS IN 2030

VEGETARIAN BRAN PRODUCTION

**2,800,000 tons/year**

Internal use

**1,500,000 tons/year**

Supply to linkage chain

**1,300,000 tons/year**

## TOP 3

LIVESTOCK COMPANIES IN VIETNAM

Total herd of sows

**200,000**

Total herd of pigs

**2,500,000**

Production of commercial hogs

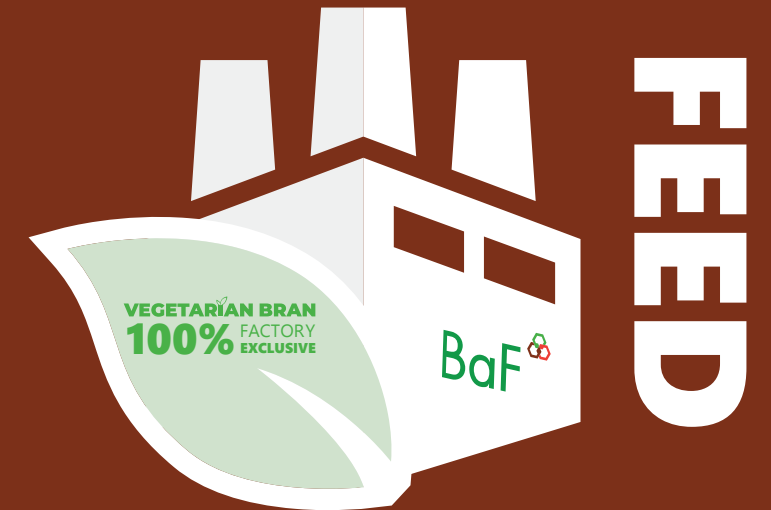
**10,000,000**

SLAUGHTERING CAPACITY

**8,000 heads/day**

INTERNAL DISTRIBUTION CHAIN

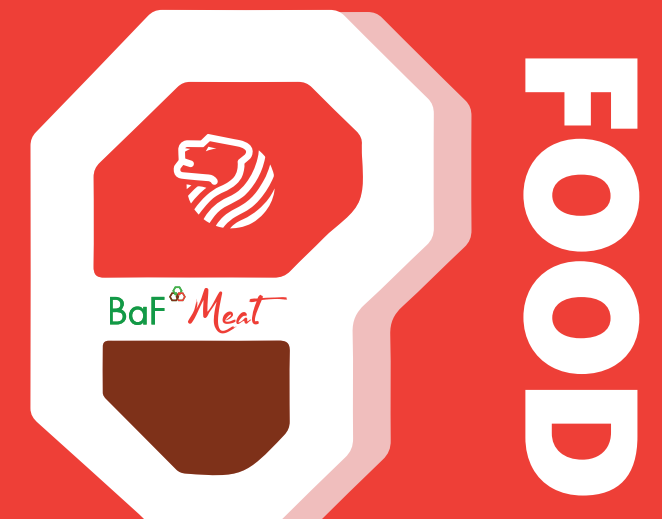
**15,200 stores**



# FEED



# FARM



# FOOD



# 2030

## TOP 3 LEADING VIETNAM

### LIVESTOCK COMPANIES



DEVELOPMENT STRATEGY  
VISION 2030





# AN INCREDIBLE EFFORT

2022 - A YEAR OF STORMS

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PIG INDUSTRY

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REPORT OF THE BOARD OF MANAGEMENT

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2023 BUSINESS PLAN

066







2022 - A YEAR OF STORMS

## WORLD & VIETNAM

### THE INFLATION BOMB HAS BEEN TRIGGERED...

The year 2022 begins with many hopes as the COVID-19 pandemic is gradually being pushed back worldwide. Under the wise leadership of the Communist Party and the State, Vietnam is one of the countries that has early won the pandemic, maintaining a stable macroeconomic foundation. The livestock industry is expected to benefit from this, as input costs will be reduced due to supply chain mending, while pork and food prices in general are expected to increase thanks to the recovery of purchasing power.

The reality unfolded just as such until mid-year, when the sudden shift occurred with unforeseen fluctuations.

In February 2022, Russia attacked Ukraine, causing armed conflict between two leading agricultural exporters and driving up the prices of these commodities. Additionally, the surge in oil prices triggered the inflation bomb that had been brewing due to the loose monetary policies of many countries over the years.

### ... CAUSING SEVERE CONSEQUENCES...

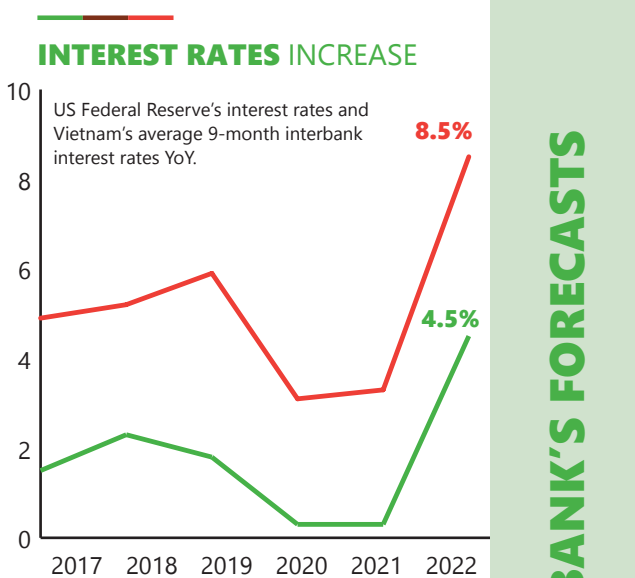
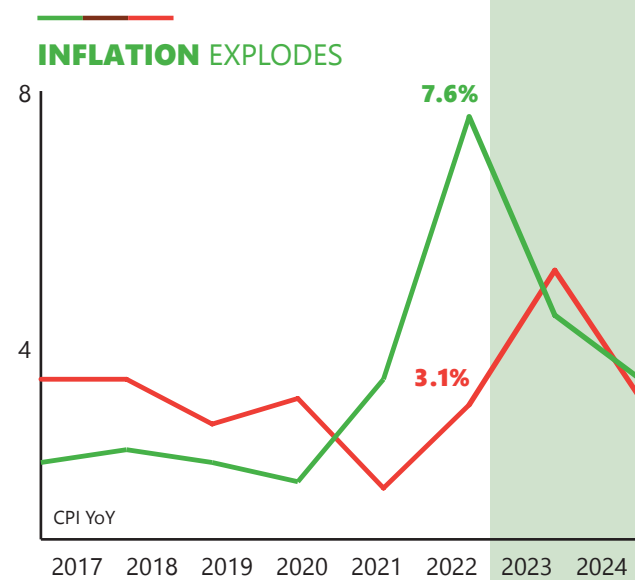
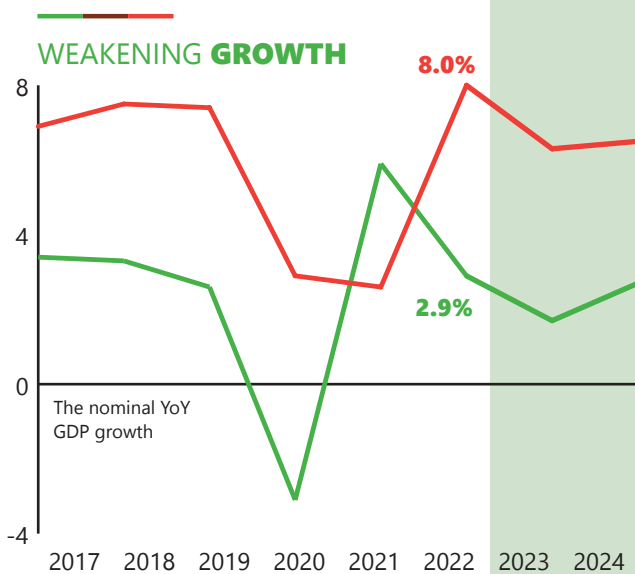
Global inflation is skyrocketing, forcing central banks to reverse policies despite the risk of recession. The global economy, which has been flooded with "cheap money" for the past two years due to the pandemic, is now suddenly facing high interest rates. The tightening of money flow has caught many businesses off guard, leading to halted orders, layoffs, and reduced incomes, leaving consumers to ponder more on their expenses.

The clearest consequence was shown through the stress test in the stock market. Global stock markets simultaneously plummeted, with the DOW JONES (USA) experiencing its largest decline since the financial crisis in 2008, while the VNINDEX (Vietnam) lost VND 100 billion in market value.

### ...AND FUNDAMENTAL, PROFOUND CHANGES

Positive macro signals have appeared. Governments and central banks have also taken decisive and timely action to both contain inflation and achieve a soft landing for the economy.

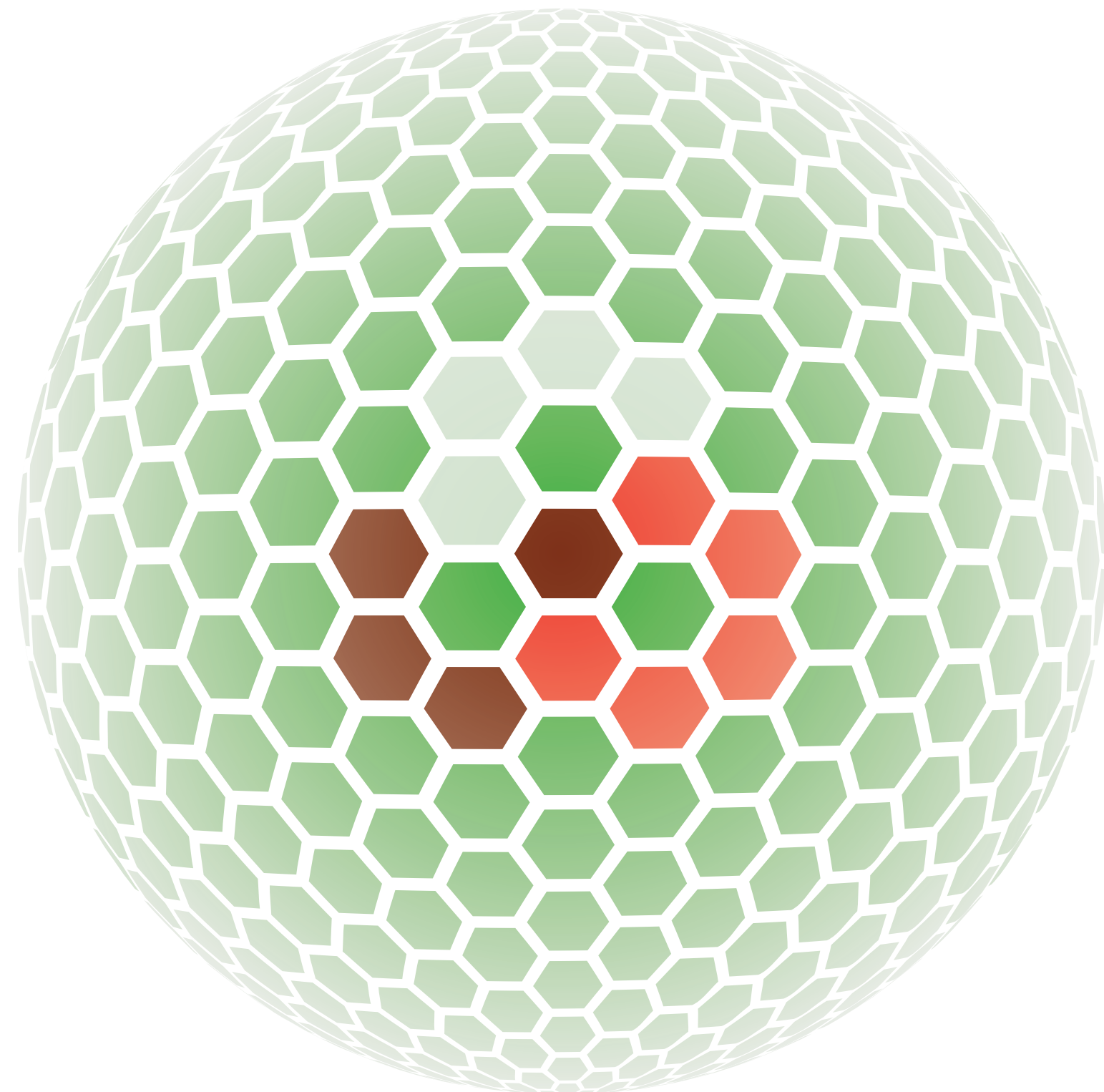
However, the overall market conditions have undergone fundamental and profound changes, such as money no longer being cheap, capital no longer being easy to come by, globalization being threatened, and market demand and overall economic health not being able to recover soon, leading to increasingly fierce competition.



Sources: World Bank, State Bank of Vietnam (SBV), Federal Reserve System (FED)

CLICK ON THE CHART TO VIEW DETAILS

WORLD BANK'S FORECASTS



**THE NEW CONTEXT  
DEMANDS THAT BUSINESSES  
MUST TRULY BE RESILIENT**

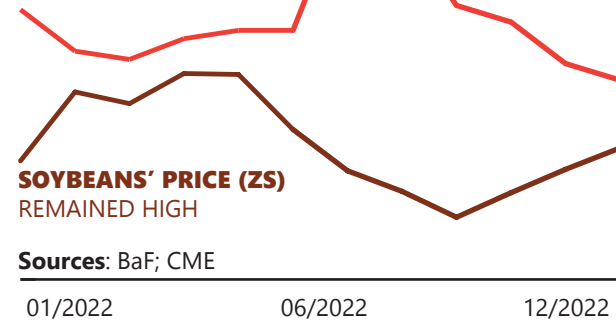




## PIG INDUSTRY

# ONE STEP BACK

**LIVE HOGS' PRICE  
IN VIETNAM**  
FLUCTUATED STRONGLY



**BUT ALSO A CONSEQUENCE  
OF THE AMBITION OF THE TRADITIONAL  
SMALL-SCALE LIVESTOCK MODEL**

### NOT JUST AN ECONOMIC CYCLE CHALLENGE

2022 is indeed a difficult year for the economy in general and the pig industry in particular. Domestic purchasing power has declined, demand from the world's largest consumer market has frozen due to the Chinese government's zero-covid policy and the Vietnamese government's tightening of cross-border activities has caused the price of live hogs to drop to around VND 50,000/kg during the second half of the year.

The selling price of live hogs has decreased, while the cost of inputs such as corn and soybean remains high. The shock to liquidity in the system, along with the increase in borrowing interest rates, can be likened to a "knock-out" blow, eradicating the ability to resist and recover for many farmers.

Traditional small-scale farming accounts for about 40% of the country's total pig herd. Despite its high proportion, this model has long revealed many shortcomings such as subjectivity, lack of planning, and insufficient investment leading to a high rate of pig diseases, a source of disease spread risk...

**In 2022, the number of pigs dead from ASF was low, about 57,000**

**THE ULTIMATE WINNERS  
ARE THE ENTITIES INVESTING**

**METHODICALLY  
PROFESSIONALLY**

# THOUSANDS OF MILES FORWARD



In 2011, Vietnam had about 4.1 million households raising pigs, but by 2021, there were less than 2 million. The proportion of household pig farming has been decreasing by 5-7% per year, and in the period from 2019 to 2021, the scale of household pig farming decreased by 15-20%.

Currently, the pig production output of small-scale farmers has decreased to 35-40%, while the output of professional households and farms accounts for 50-60%.

The scale of livestock farming by enterprises has continuously increased. As of November 2022, 16 large-scale enterprises and units maintained a total of 6 million pigs, accounting for 20% of the total herd, according to a report by the Ministry of Agriculture and Rural Development of Vietnam.

It can be seen that the challenges in recent times have created a fierce shakeout, shifting from small-scale livestock farming to large-scale livestock farming, focusing on and value chains.

**THE RIGOROUS  
PURIFICATION  
IS NECESSARY AND ESSENTIAL**

That is the necessary purification, the inevitable shift, stepping back one step to move forward thousands of miles on the journey towards a sustainable, modern, and disease-safe livestock industry. This is also in line with the Government's strategic direction, striving for Vietnam to have 10-12 large-scale linkage chains by 2025.

**DECISION OF VIETNAMESE GOVERNMENT**  
ON THE LIVESTOCK DEVELOPMENT STRATEGY 2021-2030





## REPORT OF THE BOARD OF MANAGEMENT

# ACHIEVEMENTS

### ASSESSING THE POSITION OF A LEADING LIVESTOCK COMPANY

BaF stands in the position of a leading livestock company with more than 20 modern closed farms nationwide applying the 4.0 model, meeting international standards, transferred from the largest corporations in Europe and the United States. In 2022, positive changes were recorded with a rapidly increasing total number of pigs, almost doubled compared to 2021, and BaF is autonomous in distribution channels with the operation of over 60 Siba Food supermarkets and nearly 300 Meat Shops nationwide, completing the 3F integrated chain.



Through BaF's focused efforts on building and developing, the Company has had the honor of partnering with IFC. The total funding package worth VND 900 billion will support the growth of livestock farms, the development of animal feed factories, and clean meat processing factories. The partnership with IFC will help BaF to better integrate environmental and social standards into business activities, towards sustainable development, promoting competition, improving standards, and practicing the best international practices at BaF's farms, supporting modernization and the application of the best international practices.

Despite the overall market being affected by the tightening monetary policy with high interest rates, BaF has been able to access cheap and long-term capital sources from domestic and foreign investment funds through the capital mobilization channel from the stock market. In addition to IFC, BaF is currently working with many investment funds to mobilize more capital to ensure meeting the future development needs.

### VEGETARIAN-FED PORK FED 100% PLANT-BASED DIET

The demand for clean and high-quality meat consumption is forecasted to have strong potential for growth of 10-15% per year. With the criteria of building a brand based on quality, BaF's pork brand is widely known and has received positive feedback on quality and price. In October 2022, BaF officially introduced BaF Meat Vegetarian-Fed Pork, completely using Vegetarian Bran produced exclusively by the Company with 100% plant-based protein ingredients. with superior characteristics such as soft, fragrant meat with no odor, less fat, etc.



On 7 October 2022, BaF was honored with the APEA award for its contributions to promoting private economic development and inspiring the development of Vietnam in general and the country's agriculture sector in particular.

Mr Nguyen Tien Thanh, Standing Deputy CEO of BaF, received the award on behalf of the Company.

The Asia Pacific Enterprise Awards (APEA) - initiated in 2008, is a prestigious business award in the Asia Pacific region, organized by Enterprise Asia.

**GOLDEN BOARD OF BaF**

### FARMS' EXPANSION

To meet the plan to increase the herd by 2030, BaF has started investing in building farms in Dong An Khanh, Nam An Khanh, Bac An Khanh, Hai Dang, Trang Trai Xanh 2, Tan Chau, and Tam Hung with a total capacity of 20,000 sows and 150,000 pigs for meat, expected to be operational in 2023. These farms are considered to be the highest standard farms in Vietnam with leading models in design, construction, and modern operation that fully meet the strictest livestock standards of Europe and the United States.

### MODERN FACTORY SYSTEM

BaF optimizes the closed livestock chain by operating the Tay Ninh Animal Feed Factory with modern technology, 100% automated operation according to international standards. In October 2022, BaF Tay Ninh Factory became the first entity in Vietnam to simultaneously achieve the highest certification of the quality management system in livestock feed production, applied worldwide, "GLOBAL G.A.P. CFM V3.0" and "FSSC 22000 V5.1 Food Safety Management System Certification". This is a proud result in the strategy of improving the sustainable high-tech livestock feed production system, keeping up with the trends of the livestock and global food industry.

# 100%

### AUTONOMOUS IN ANIMAL FEED SOURCES

Currently, BaF's factories ensure the 100% supply of animal feed with stable and proactive nutritional sources with the best quality for the entire internal farm system of BaF. Optimization of nutrition formulas, efficient and cost-effective use of animal feed ingredients significantly reduces production costs, eliminates risks of microorganisms affecting animal health, ensures nutrition for the herd of pigs, increases efficiency and added value.

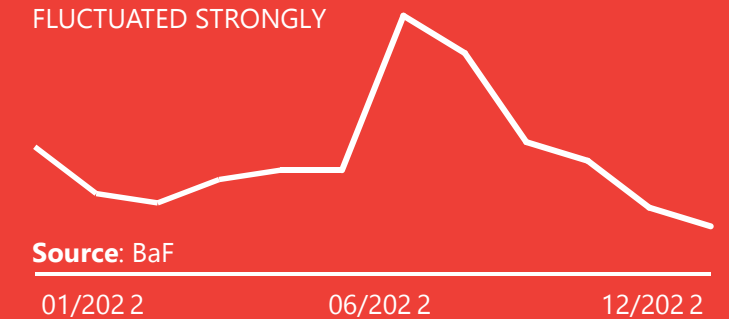




## REPORT OF THE BOARD OF MANAGEMENT DIFFICULTIES

In 2022, the domestic livestock industry is facing many challenges from unpredictable macro factors such as ASF, disrupted supply chains due to the impact of the Russia - Ukraine conflict, high oil prices leading to increased transportation costs, thereby increasing the cost of livestock feed ingredients, while feed accounts for up to 60% of production costs.

### LIVE HOGS' PRICE IN VIETNAM FLUCTUATED STRONGLY



Live hogs' price in Vietnam fluctuated strongly, remaining low in the first 6 months of the year (VND 47,000 - 56,000/kg) and increasing from mid-2022, reaching a peak of VND 75,000/kg in mid-July. The price began to decrease from August and plummeted to VND 54,000 - 62,000/kg in September. The downward trend has not stopped as live hogs' price dropped to nearly VND 50,000/kg at the end of December.

The main cause comes from abundant supply, but consumers are affected by the difficult economy, high inflation, so they need to tighten their spending, leading to a decrease in demand, and thus the price of live hogs drops. BaF assesses that by Q3/2023, as the economy gradually recovers and accelerates, the operations of enterprises become stable, employment and income of workers improve, and consumption is expected to increase.

DETAILS ABOUT MACROECONOMIC ON PAGE 056

DETAILS ABOUT PIG INDUSTRY ON PAGE 058



### PROACTIVE SHARING WITH CUSTOMERS

In the context of a difficult economy, BaF understands that for consumers, cost savings is always important. Therefore, BaF is always ready to apply promotional programs at Siba Food stores in the hope of sharing some of the difficulties, helping consumers to use BaF's high-quality products at a reasonable cost.

### ECONOMIES OF SCALE REQUIRES TIME

Entering official operation from Q2/2022, BaF Tay Ninh Animal Feed Factory has not been able to operate at full capacity yet, coupled with the fluctuation of raw material prices and operating fees, which have affected the business results of the Factory. However, in the near future, as the farms within the BaF system that have been, are being, and will be invested in construction go into operation, BaF Tay Ninh will fully leverage its existing strengths and potential, as an important link in actively providing feed for the BaF integrated chains.

### COMPETING WITH FDI GROUP

Currently, large-scale high-tech animal husbandry is becoming a strong trend with the investment of many large economic corporations inside and outside the country. However, the proportion of domestic enterprises investing in large-scale operations is still modest compared to the FDI group. To solve the problem of enhancing competitiveness in the context of supply exceeding demand, BaF is conducting research to find differences for products, while identifying a suitable strategic direction for the market and customer demand to help BaF strengthen position in the livestock industry and better meet the needs of the market, contributing to promoting the development of Vietnam's agriculture.





## REPORT OF THE BOARD OF MANAGEMENT

ITEMS	2021	2022	VS 2021
<b>TOTAL ASSETS</b>	<b>5,457.2</b>	<b>4,729.1</b>	<b>-13.3%</b>
<b>OWNER'S EQUITY</b>	<b>1,454.8</b>	<b>1,742.7</b>	<b>+19.8%</b>
<b>NET REVENUE</b>	<b>10,434.4</b>	<b>7,083.4</b>	<b>-32.1%</b>
● Commercial business of ingredients	9,671.2	5,706.5	-41.0%
● Livestock	762.2	1,372.7	+79.9%
● Feed	-	3.1	-
● Farm leasing	0.9	1.2	+34.1%
<b>GROSS PROFIT</b>	<b>487.6</b>	<b>525.4</b>	<b>+7.8%</b>
● Commercial business of ingredients	215.7	152.4	-28.4%
● Livestock	273.6	376.3	+37.2%
● Feed	-	-4.2	-
● Farm leasing	-1.8	0.9	+49.0%
<b>NET PROFIT BEFORE TAX</b>	<b>390.5</b>	<b>338.9</b>	<b>-13.2%</b>
<b>NET PROFIT AFTER TAX</b>	<b>321.8</b>	<b>287.8</b>	<b>-10.6%</b>
<b>ROE</b>	<b>22.1%</b>	<b>18.0%</b>	<b>-410 bps</b>

### STRATEGIC SHIFT IN REVENUE PROPORTIONS

Net revenue in 2022 reached VND 7,083 billion, mainly from livestock and commercial business of ingredients. The amount of Vegetarian-Fed Pigs sold in 2022 reached over 303,500, nearly double that of 2021, which boosted the livestock revenue by 80%, reaching VND 1,373 billion.

The revenue structure in 2022 shifted with strong growth in livestock revenue, accounting for 19.4% of the total revenue structure. The revenue from commercial business of ingredients decreased, but the gross profit margin reached 2.7%, an increase compared to the 2.2% in the same period in 2021. This is considered a positive signal for BaF's strategic direction in the future.

### GROSS MARGIN SURGES THANKS TO LIVESTOCK

Gross profit in 2022 increased by 7.8% compared to 2021. Specifically, in livestock segment, gross profit increased by 37.2%, but gross profit margin decreased due to unfavorable fluctuations in prices of live hogs and feed ingredients. In addition, new farms have not yet achieved stable production while production costs continue to rise.

To gain recognition and acceptance from the market during the expansion of its operations and brand building, BaF needs to increase its workforce, especially key management personnel and sales staff, as well as focus on the cost of promoting the brand to consumers. This leads to an increase in selling, general and administrative (SG&A) expenses compared to the same period, resulting in a 10.6% decrease in post-tax profits compared to 2021, reaching VND 288 billion.

## TOP 5 LARGEST COMPANIES IN VIETNAM'S PIG FARMING INDUSTRY

In 2022, BaF marked a turning point in its operating strategy, gradually reducing the proportion of its commercial business of ingredients segment with low profit margins and focusing on improving FEED - FARM - FOOD ecosystem with superior business efficiency. After a year of volatility in 2021, BaF continued to develop strongly in 2022 by focusing on building a closed-loop value chain consisting of 3 animal feed factories, over 20 pig farms with a herd of more than 200,000 Vegetarian-Fed Pigs, and rising to the Top 5 largest pig farming companies in Vietnam.

BaF's 2022 business results continue to show sustainable success in both scale and business efficiency, proving the potential of the development path that the Company is heading towards. All of these achievements are the result of relentless effort, responsibility, dedication, and the careful guidance of the leadership, along with the creative, learning, and development spirit of all employees.

In 2022, BaF faced many external macro factors that had an adverse impact on business operations. However, with the relentless efforts of all employees and the determination of the leadership, the Company achieved positive business results. Looking back at the successes and failures of the past year, the Company has learned valuable lessons and actively sought solutions to increase the efficiency of the business operations in 2023.

BaF's goal in 2023 is to strengthen position and effectively compete with other companies in the same industry. To achieve this goal, the Company has set out many plans and strategies, including enhancing management and improving product quality to meet the increasing demands of customers. In addition, the Company will continue to invest in research and development (R&D), expand the consumer market, and seek new opportunities for cooperation to develop and expand its business operations. With these efforts, BaF believes that it will achieve outstanding success in 2023 and bring value to customers, shareholders, and society as a whole.



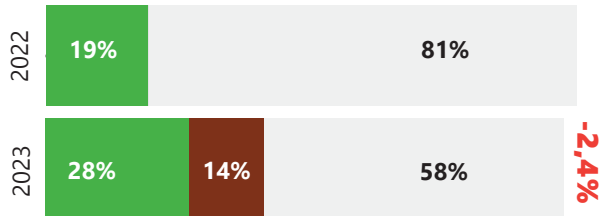


REPORT OF  
THE BOARD OF MANAGEMENT

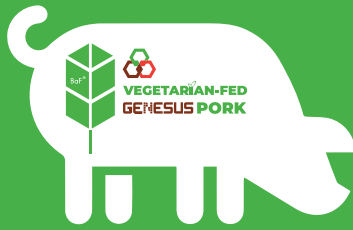
# BUSINESS PLAN 2023

ITEMS	TARGETS (VND)
NET REVENUE	6,913.6
● Livestock	1,913.6
● Feed	999.9
● Commercial business of ingredients	4,000.0
NET PROFIT AFTER TAX	301.4
● Livestock	192.0
● Feed	45.4
● Commercial business of ingredients	64.0
NET PROFIT MARGIN	4.0%

LIVESTOCK REVENUE WILL GROW STRONGLY  
WITH THE MOST OF TOTAL REVENUE STRUCTURE



PROFIT AFTER TAX WILL INCREASE SMALLY  
WITH THE MAJOR PRIORITY OF LIVESTOCK



LIVESTOCK

The total expected sales volume of pigs to the market is 348,770, including 61,470 PS, 247,500 hogs and 39,800 weaned pigs. The expected revenue is VND 1,913 billion VND, with a net profit after tax of VND 192 billion, accounting for 64% of BaF's total net profit after tax.

Maintain and promote the decisive factors for success in breeding work by constantly improving and enhancing the quality of breeding animals to meet productivity and superior meat quality indicators. Continue to implement the construction and operation of livestock farms with modern design models and advanced technologies, effectively using resources and minimizing the project's impact on the environment.

Promote the application of scientific and advanced technological achievements of the 4.0 technology revolution, developing livestock towards industrialization and modernization. Effectively mobilize and exploit resources in training, research, and technology transfer, as well as experience in livestock and veterinary development. Effectively implement the control of dangerous and emerging diseases. Proactively prevent and control diseases, ensure the growth and development of the pig herd, minimize the mortality rate, limit economic losses.

Gradually transform from individual livestock breeding to group breeding, ensuring compliance with biological safety requirements, building and implementing animal welfare according to international standards. Further improve the application of environmental and social standards in business activities towards sustainable development.

Grasp market information to have appropriate plans for increasing herd size and production. Scientifically operate and manage pig herds with a rotating plan and herd matching to optimize the capacity of each farm, increase production value, and improve productivity and economic efficiency for the entire system.

ITEMS	SALES VOLUMES (pigs)	GROSS PROFIT (VND billion)	NET REVENUE (VND billion)
Parent stocks (PS)	61,470	239.7	491.8
Market hogs	247,500	303.1	1,367.3
Weaned pigs	39,800	4.4	54.6
TOTAL	348,770	547.2	1,913.6



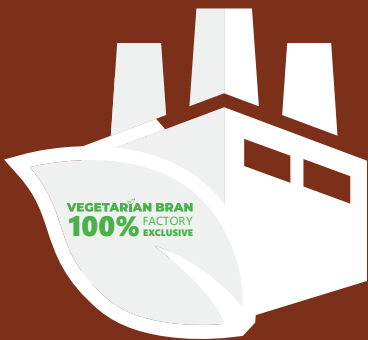
COMMERCIAL BUSINESS OF  
INGREDIENTS

In 2023, the commercial business of ingredients is expected to contribute VND 4,000 billion in revenue and VND 64 billion in after-tax profit, accounting for 21% of BaF's total after-tax profit.

In 2022, BaF will leverage its strengths in experience and existing partnerships to continue its commercial business of ingredients operations in the domestic market, with abundant supply and stable prices. By recognizing and capturing fluctuations in agricultural prices to buy and sell, the Company aims to profit from price differentials at different times. This effort will help generate cash flow to support the Company's business operations and investment in construction, especially in the current expansion and development period, which is a crucial and necessary factor.

STRATEGY DIRECTION TO  
GRADUALLY REDUCE THE PROPORTION OF  
COMMERCIAL BUSINESS OF INGREDIENTS  
FOCUSING ON 3F INTEGRATED CHAINS  
FEED - FARM - FOOD

In the coming time, BaF will continue to reduce the proportion of commercial business of ingredients segment, but will balance this segment to accompany the 3F system. This will serve as both an ingredients input for the supply chain system and a support for the Company to maximize profits, stabilize the economy, and create a buffer to reduce capital pressure.



ANIMAL FEED

BaF's Tay Ninh Animal Feed Factory, with a total capacity of 400,000 tons/year, officially started operations in 2022, bringing the Company's total production capacity of animal feed to 460,000 tons/year, ensuring sufficient feed supply for BaF's internal farms, and will begin to generate commercial revenue when the exclusive Vegetarian Bran will be supplied to farmers in BaF's linkage chain. The expected net revenue from the animal feed production segment is VND 1,000 billion, with an estimated post-tax profit of VND 45 billion, accounting for 15% of the Company's total post-tax profit.

BaF strictly follows the production process, closely monitoring all stages from raw material input to finished products. The Company regularly maintains and improves its machinery and production management systems. It also enhances its practical management capabilities and provides visual nutrition reports, in addition to training knowledge and skills for its staff.

Optimizing production capacity of factories, improving business efficiency by managing raw materials well to minimize waste and balancing the optimal feed ratio to save animal feed resources, calculating production costs and appropriate prices to ensure profitable production.

Particular attention is paid to nutrition indicators, physical properties of raw materials, and the use of environmentally friendly ingredients in feed. Risk management, control of hazards to ensure food safety and prevent microbial risks that affect animal health while still providing appropriate and consistent nutrition for pigs at all stages of development.

Strictly implementing international regulations and standards such as GLOBAL G.A.P. and FSSC 22000 for quality management systems for feed factories. Continuing the journey to maintain, improve, and perfect the feed production system applied to all BaF factories.





REPORT OF  
THE BOARD OF MANAGEMENT

## BUSINESS PLAN 2023



### GENERAL BUSINESS DIRECTION

Proactively capturing market information to develop an appropriate business strategy. Establishing a budget to manage assets, cash flow, profits, and control costs based on an overall picture of the financial situation to determine necessary measures.

Developing an effective capital utilization plan, balancing self-financing and borrowing to control financial risks and interest costs. Combining business operations between sectors, maximizing existing potential to maximize revenue and profits.

To enhance production capability and competitiveness, BaF is currently increasing its livestock farming land bank, spanning across provinces from north to south, in order to serve plan

of maintaining and expanding the livestock production scale, improving operational efficiency, and gradually dominating the potential pig market.

In the coming time, the expansion of the farm scale will increase the output, and the pig herds in the newly-operated farms in 2022 will be stabilized and evenly raised, thereby improving the business performance of the Company system.

BaF identified that FOOD will be a competitive factor in the future with the highest profit margin in the ecosystem. In the FOOD segment, after slaughter, there is still 60% of other pork components that are not easy to sell or sell at a very low price. BaF is in the process of researching to create processed products that not only optimize the output for these by-products but also help consumers enjoy better pork prices.



### GOVERNANCE

To closely monitor investment strategies and develop appropriate capital mobilization plans that are in line with market conditions and macro policies. Establish reasonable cash reserves to ensure payment capability while optimizing the investment return on idle funds.

Proactively select and reserve inventory based on practical needs to minimize inventory holding costs that tie up capital. Consider leasing fixed assets, when necessary, based on cash flow balance.

Establish a system of decentralization and reasonable delegation of authority to enable independent work of management levels. Build a rational and tight organizational structure, improve management, reorganize, and streamline the system, enhance professional capacity and management through standardizing responsibilities and tasks.

BaF is continuing to increase  
**livestock land fund**  
gradually dominate the market

Expand the market further, enhance customer acquisition, and promote the BaF brand image. Implement good discount policies, flexible price reductions for each customer segment, especially potential customers, to consolidate long-term relationships with the Company.

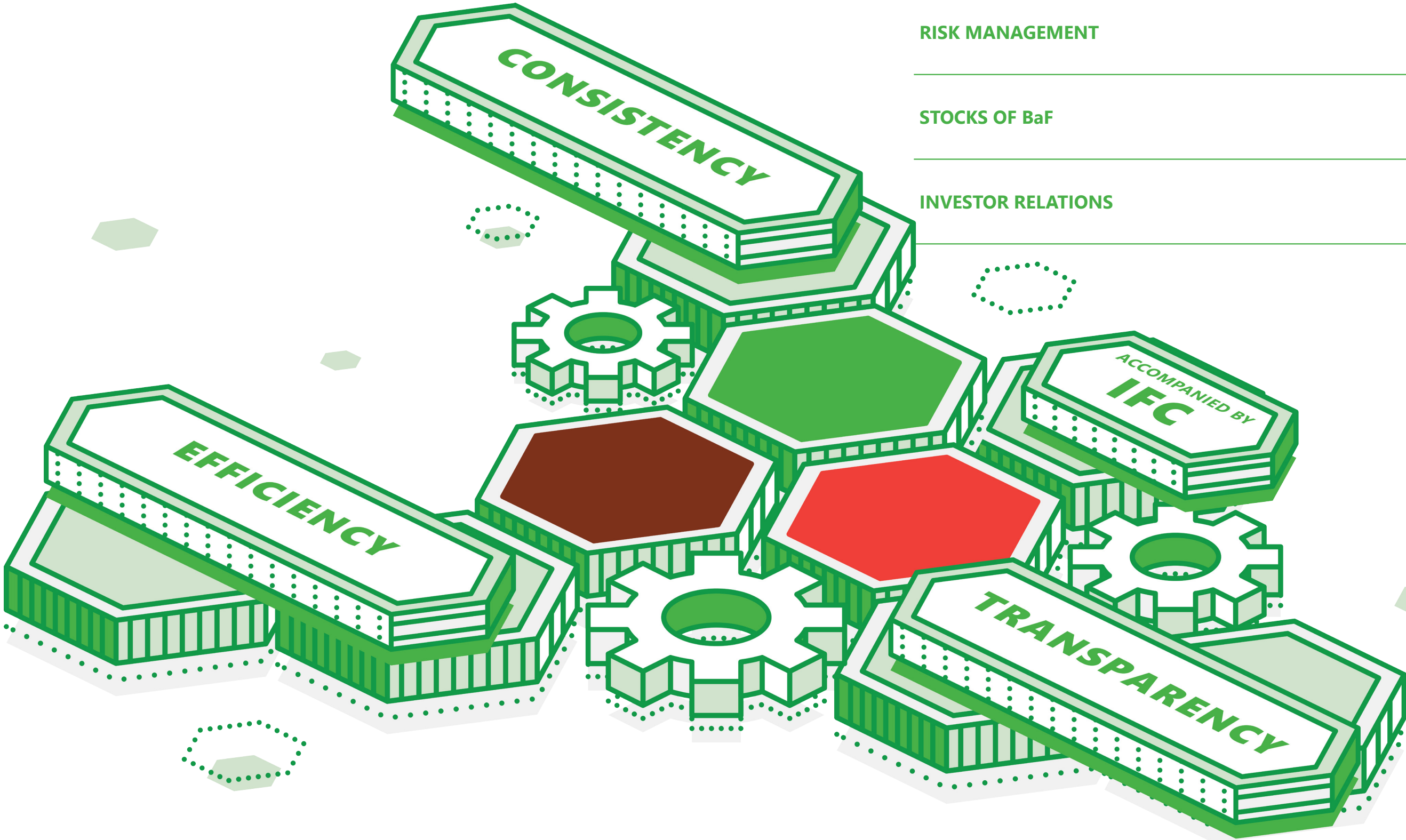
Achieve sustainable development, focus on community work, environmental protection and social security, demonstrating high responsibility to society and the community.

Leverage achievements and address remaining difficulties in 2022. The Board of Management and all employees are determined to strive for growth, continue to build BaF's stable, efficient, and sustainable development, and focus on achieving the 2023 plan, implementing well the strategies and resolutions set by the Board of Directors to create and protect the best interests of shareholders and partners.





# A STRONG CORE



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## REPORT OF THE BOARD OF DIRECTORS

# ACTIVITIES OF THE BOARD OF DIRECTORS

As the representative of BaF shareholders' interests, the BOD always upholds the spirit of responsibility, together with the BOM, to carry out the guidance and management of implementing the planned targets according to the resolutions of the GMS. The BOD performs well its functions of strategic planning, organizing, directing, and monitoring all aspects of the Company's operations, evaluating and approving investment projects for business activities. The guiding and supervisory activities of the BOD are carried out through direct communication and/or in writing.

The BOD operates on the principle of collective decision-making, complying with the regulations of the law and the Company's charter. The BOD holds regular meetings once per quarter. All meetings are prepared with specific agendas and communicated to each member prior to the meeting.

IN 2022,  
THE BOD CONDUCTED **39 MEETINGS**

MEMBERS OF THE BOD	TERM	PARTICIPATIONS	REASON FOR ABSENCE
Mr TRUONG SY BA	15 March 2022 - Now	31 times <div>79.5%</div>	Appointed on 15 March 2022
Ms BUI HUONG GIANG	21 July 2020 - Now	39 times <div>100.0%</div>	
Mr PHAN NGOC AN	03 February 2021 - Now	39 times <div>100.0%</div>	
Mr BUI QUANG HUY	03 February 2021 - Now	39 times <div>100.0%</div>	
Mr LE XUAN THO	03 February 2021 - Now	39 times <div>100.0%</div>	
Mr NGUYEN ANH TUAN	04 July 2017 - 15 March 2022	05 times <div>12.8%</div>	Resigned on 21 February 2022





# LIST OF RESOLUTIONS / DECISIONS TO BE PROMULGATED BY THE BOD IN 2022

	NUMBER OF DOCUMENTS	DATE	CONTENT
01	01.01.2022/NQ-HĐQT	01 January 2022	Approval of contracts / transactions with insiders and related parties must be approved by BaF's BOD.
02	18.01.2022/NQ-HĐQT-BaF	18 January 2022	Organization of the AGM in 2022.
03	26.01.2022/NQ-HĐQT-BaF	26 January 2022	Issuance of Internal Audit Regulations and establishment of an Internal Audit Department
04	02.10/NQ-BaF	10 February 2022	Contribution of capital to establish BaF Meat Binh Phuoc Company.
05	02/2022/NQ-HĐQT-BaF	17 February 2022	Approval of the principle to sign a land lease contract with an insider of the Company.
06	030321/NQ-BaF	03 March 2022	Change BaF's Chief Accountant
07	0403/2022/BaF/NQ-HĐQT	04 March 2022	Details of the plan for using the proceeds from BaF's public bond issuance in 2022.
08	05/NQ-BaF	07 March 2022	Investment in 2 pig farming projects in Ia Pa District, Gia Lai Province.
09	15032022/NQ-BaF	16 March 2022	Dismissal and election of a new Chairman of the BOD.
10	25.03.2022/NQ-HĐQT	25 March 2022	Implementation of the plan to issue new shares in 2022.
11	29/QĐ-HĐQT-BaF	29 March 2022	Establishment of the Company's branches in Hanoi and Dong Nai.
12	18.04.2022/NQ-NĐQT-BaF	18 April 2022	Loan borrowing and using assets as collateral at Vietnam Development Investment Bank - Bac Ha Branch.
13	1904/2022/BaF/NQ-HĐQT	19 April 2022	Adjustment of the details of the plan for using the proceeds from the public bond issuance in 2022 in Resolution No. 0403/2022/BaF/NQ-HĐQT of the BOD.
14	2104/2022/NQ-HĐQT	21 April 2022	Signing a memorandum of understanding with individuals who are the 100% owners of the charter capital of Tam Hung Services Trading Company Limited
15	0605/QĐ-HĐQT-BaF	05 May 2022	Establishment of the Company's branch in Ba Ria Vung Tau.
16	0905/NQ-BaF	09 May 2022	Approval of the transfer of capital of Tam Hung Company
17	10.05/NQ-BaF	10 May 2022	Transfer the contributed capital in Myanmar BaF Livestock Company Limited to Viet Argo PTE.LTD (a related party of the Company's insider) and terminate the foreign investment project.
18	16.05.2022/NQ-HĐQT	16 May 2022	Approval of the results of the stock issuance for dividend payment and capital increase from the owners' equity.
19	01/NQ-HĐQT	17 June 2022	Approved contracts / transactions with related parties and insiders must be approved by the BOD.
20	02/QĐ-HĐQT	20 June 2022	Selecting an auditor to review the financial statements for the first 6 months of 2022.

# IN 2022

ALL RESOLUTIONS / DECISIONS ARE APPROVED BY THE BOD

# WITH 100% PASSING RATES

	NUMBER OF DOCUMENTS	DATE	CONTENT
21	23.06.2022/NQ-HĐQT-BaF	23 June 2022	Finalize shareholders' list to conduct the written opinion collection.
22	03/NQ-HĐQT	08 July 2022	Signed a memorandum of understanding with individuals who are 100% owners of the charter capital of Tan Chau Company
23	04/NQ-HĐQT	22 July 2022	Adjusting some contents of Resolution No. 10.05/NQ-BAF signed on 10 May 10 2022.
24	05/NQ-HĐQT	25 July 2022	Regarding the appointment of the Standing Deputy CEO position for Mr Nguyen Tien Thanh.
25	06/NQ-HĐQT	11 August 2022	Regarding the approval of the transfer of capital contribution of Tan Chau Agriculture Investment Company Limited.
26	15.08.2022/NQ-HĐQT	15 August 2022	Approved detailed implementation plan for the issuance of private convertible bonds in 2022.
27	16.08.2022/NQ-HĐQT	16 August 2022	Acquire the capital contribution transfer from Tam Hung Company, increasing the ownership ratio to 99.9% of the charter capital of Tam Hung Company.
28	17.08.2022/NQ-HĐQT	17 August 2022	Approved to contribute to increase the charter capital and support medium and long-term loans for subsidiary companies by contributing capital.
29	18.08.2022/NQ-HĐQT	18 August 2022	Approved the registration file for the private convertible bond issuance.
30	07/NQ-HĐQT	19 September 2022	Regarding the approval of the transfer of contributed capital of Thien Phu Son Export Import Trading and Production Company Limited.
31	17.10.2022/NQ-HĐQT	17 October 2022	Temporary withdrawal of the registration file for the private convertible bond issuance in 2022.
32	08/NQ-HĐQT	21 October 2022	Signed a memorandum of understanding with individuals who are 100% owners of the charter capital of Kim Hoi Company
33	08.11.2022/NQ-HĐQT	08 November 2022	Approved the detailed implementation plan for the issuance of private convertible bonds in 2022 by BaF.
34	09.11.2022/NQ-HĐQT	09 November 2022	Approval of capital contribution to subsidiaries for increasing charter capital to implement the pig farming project.
35	11.11.2022/NQ-HĐQT	11 November 2022	Approved the private convertible bond issuance registration file.
36	173/QĐ-BaF	21 November 2022	Regarding the dismissal of the head of Nghe An Branch.
37	174/QĐ-BaF	21 November 2022	Regarding the appointment of the head of the Nghe An Branch.
38	09/NQ-HĐQT	29 November 2022	Regarding the transfer of 717,282 shares, equivalent to 99.9% of the charter capital of Kim Hoi Company
39	10/NQ-HĐQT	01 December 2022	Signed a memorandum of understanding with individuals who are 100% owners of the charter capital of Tay An Khanh JSC





# REPORT OF THE BOARD OF DIRECTORS

BaF

CÔNG TY CỔ PHẦN NÔNG NGHIỆP BAF VIỆT NAM

## CONSISTENCY

## TRANSPARENCY

## EFFICIENCY

### SUPERVISION OF THE BOM'S ACTIVITIES AND COMPANY GOVERNANCE

The BOD has issued the operating regulations for the BOD and the governance regulations of the Company to implement the monitoring work and direct the production and business activities of BaF and its subsidiaries.

The BOD regularly holds scheduled and unscheduled meetings as stipulated in the Company's Charter to provide timely and focal solutions, ensuring the Company's business activities take place continuously and are in line with the development direction set by the BOD.

The BOD regularly monitors and guides the BOM to implement the 2022 business plan according to the Company's mid and long-term development strategy and the contents approved at the AGM. Monthly, the Chairman of the BOD presides over meetings with the BOM, heads of departments within the Company, and directors of subsidiary units to hear reports

on the production and business activities of the units, while providing direct opinions at the meeting to ensure that the guiding decisions of the BOD are timely and closely aligned with the actual production and business situation.

Compliance with current legal regulations on company management and the disclosure of full and accurate information on business operations to shareholders, state management agencies, and related parties based on transparency, accuracy, and timeliness.

Managing and operating the parent company and the system of subsidiaries, joint ventures, and affiliated companies of BaF in accordance with the regulations on management applied to publicly listed companies.

### OPERATIONS AND ASSESSMENT RESULTS OF INDEPENDENT MEMBERS OF THE BOD ON ACTIVITIES OF THE BOD, BOM AND OTHER DEPARTMENTS

Currently, the BOD of BaF has 01 independent member - Mr Bui Quang Huy, ensuring a structure where 1/3 of the total number of members are independent.



Mr BUI QUANG HUY

The independent member of the BOD has fulfilled their duties and powers in accordance with legal regulations and the Company's Charter. They fully participate in meetings of the BOD, monitor the activities of other BOD's members, the BOM, and other assigned management departments.

Regarding the operations of the BOD, BOM, and other management departments in the Company, the independent member noted that they have worked with a high sense of responsibility and transparency in their management and operations, adhering to legal and corporate governance regulations.

The BOD has organized full and regular meetings, continuously guiding and monitoring the implementation of resolutions from the BOD and the GMS.





## REPORT OF THE BOARD OF DIRECTORS

# 2022 MANAGEMENT RESULTS

## OPERATION RESULTS AND ASSETS - CAPITAL STRUCTURE

2022 is a challenging year for Vietnam's economy as domestic interest rates have increased sharply, particularly the negotiated deposit interest rate on the market which is very high, leading to a decrease in domestic consumption and making production more difficult.

The livestock industry has to face many difficulties related to disease outbreaks and negative impacts from the disruption of input supply chains due to unpredictable macroeconomic developments. This has directly affected the Company's business results in both directions. Ingredients costs have increased while hogs' price have continuously decreased over a long period of time.

For the closed livestock business model, although the output has increased compared to the same period last year from the new farms that have been put into operation, the average hog selling price in the year has decreased compared to last year, at the same time, the input material costs have increased sharply and the new farms have not yet uniformly deployed. Therefore, it has affected the growth in profitability compared to the same period last year.

In response to this situation, the leadership has implemented flexible and effective measures to overcome difficulties and stabilize the Company's business activities, such as maximizing cost reduction, controlling input material costs, increasing operating capacity at farms, optimizing hog productivity, strengthening retail sales of meat in supermarkets, retail stores nationwide and selling directly through distributors / slaughterhouses to achieve high selling prices and maximize profits...

Details on the scale, growth and business results in 2022 of BaF have been reflected in the attached audited financial report and published on the Company's website at <https://baf.vn>, and summarized in the table beside it.

## RESULTS OF PROJECT IMPLEMENTATION

The investment projects in the year have been implemented and deployed with urgency, determination, and effectiveness.



ITEMS (CONSOLIDATED)	PLAN	RESULT	% PLAN
VND Billion			
Net revenue	5,950	7,085	119.1%
Profit after tax	402	287	71.4%
	31 Dec 2021	31 Dec 2022	+/-%
Total assets	5,457	4,729	-13.3%
Liabilities	4,002	2,986	-25.4%
Owners' equity	1,455	1,742	+19.8%

## ABOUT THE ACTIVITIES OF ISSUING SHARES TO INCREASE CHARTER CAPITAL

Executing the plan to issue shares to increase charter capital as approved at the AGM in 2022, according to the agenda item 11/2022/TTr-HĐQT, the BOD has completed the issuance of shares to increase the charter capital of the Company in 2022 through the form of issuing shares for dividend payment and issuing bonus shares to existing shareholders.

Accordingly, BaF's charter capital increased from VND 780 billion to VND 1,435 billion and all the additional issued shares have been registered for supplementary listing at the Vietnam Securities Depository (VSD) and registered for supplementary listing on the Ho Chi Minh City Stock Exchange (HOSE).

## REMUNERATION OF THE BOD AND BOS

In 2022, BaF paid remuneration to the BOD and the BOS with a total amount of VND 516,000,000 in accordance with the contents stated in agenda item No. 07/2022/TTr-HĐQT dated 22 February 2022, which was approved at the 2022 AGM.

## SELECTING INDEPENDENT AUDITING FIRM

The BOD has selected Ernst & Young Vietnam Limited as the independent auditor to conduct the audit of BaF's financial statements for the year 2022. On 30 March 2023, the Company issued its audited financial statements (including separate and consolidated reports) with a fully unqualified opinion from the auditor.





## REPORT OF THE BOARD OF DIRECTORS

# 2022 MANAGEMENT RESULTS



### ABOUT THE COOPERATION ACTIVITIES WITH IFC

The International Finance Corporation (IFC), a member of the World Bank Group, is a leading global institution focused on supporting private sector development in developing countries. Supporting the livestock segment is a priority area of IFC's activities in Vietnam.

After more than a year of negotiation and evaluation, BaF has met the stringent standards of IFC and thus received a maximum funding package of around USD 39 million from IFC, including VND 600 billion in private convertible bonds and VND 300 billion in private bonds for BaF with a fixed interest rate of 5.25%, which is a very competitive interest rate in the context of increasing interest rates in the current period.

On 9 August 2022, the AGM issued Resolution No. 09.08.2022/NQ-AGM in the form of written consent to approve the plan to issue private convertible bonds to IFC with a total expected mobilized capital of VND 600 billion. The purpose of the issuance is to invest in subsidiaries to increase charter capital in order to carry out pig farming projects and supplement capital for the production and business activities of subsidiaries.

After completing relevant procedures for licensing and implementing the offering plan, on 23 February 2023, the ceremony to announce the Strategic Partner and Investment Contracts between IFC and BaF was successfully held. On 16 March 2023, IFC submitted the money to purchase convertible bonds privately. The total amount received by BaF was VND 600 billion.

Immediately after completing the private convertible bond offering, the BOD is quickly completing procedures to continue offering private bonds to IFC with an expected total amount of VND 300 billion, and the estimated implementation time is Q2/2023.



TAN LONG GROUP  
Tổa Sảng cang Nông nghiệp Việt



# LỄ CÔNG BỐ ĐỐI TÁC CHIẾN LƯỢC VÀ KÝ KẾT CÁC HỢP ĐỒNG ĐẦU TƯ

## Strategic Partnership Announcement and Signing Ceremony for Investment Agreements



### BOND BAFH2225001

HAS BEEN PUBLICLY LISTED ON HNX

STOCK CODE

BAF122029

MARKET CAP (VND)

300 billion

WITH HIGH LIQUIDITY (\*)

VND 2.3 billion/day

INFORMATION IS AUDITED, TRANSPARENT

IN LINE WITH BaF'S CULTURE & VALUES

CLICK HERE TO EXPLORE MORE

(\*) Average volume from 30 December 2022 to 7 April 2023.

### PUBLIC BOND OFFERING ACTIVITY

On 29 December 2021, in Resolution No. 2912/2021/BAF/NQ-HĐQT, the BOD approved the plan to issue bonds to the public and list the bonds on the Hanoi Stock Exchange (HNX) to supplement the Company's capital for production and business activities, increase bond liquidity, attract diverse investors to participate in bond purchases, thereby enhancing transparency in business activities, creating favorable conditions and diversifying capital mobilization methods through the stock market, and enhancing BaF's image with partners and customers, strengthening BaF's competitive position and capacity.

On 23 August 2022, BaF successfully completed the first public bond issuance with a total amount of VND 300 billion (100%

of the offering value), with a total of 15 registered investors, including the participation of 14 large investment funds in Vietnam and abroad.

On 07 March 2023, the entire amount of capital raised from the issuance of bonds has been fully utilized by the Company. On 04 April 2023, the Company issued an audited financial statement on the use of capital from the public issuance of bonds phase 1, which was audited by Nhan Tam Viet Auditing Company Limited. The statement showed that BaF had used the entire amount of funds raised from the issuance of bonds in accordance with the capital utilization plan approved by the BOD and the Bondholders' Meeting.





## REPORT OF THE BOARD OF DIRECTORS

# BUSINESS DEVELOPMENT STRATEGY 2023

### INCREASE RETAIL SALES OF PORK PIECES THROUGH WHOLESALE CHANNEL

In addition to the main distribution channels at Siba Food and BaF Meat Shop, the Company is enhancing the retail of pork pieces through the wholesale channel to increase productivity, optimize production to maximize profits, and spread BaF's clean meat to consumers with reasonable prices, high quality and standardization.

### LINKING PRODUCTION WITH DISTRIBUTION OF FEED AND BREEDING PIGS

With a production-distribution linkage strategy based on leveraging the experience and strengths of its animal feed and breeding factories, BaF will sell feed along with its breeding stock to optimize the capacity of its feed factory and introduce BaF's high-quality breeding stock to the market. The estimated amount of Vegetarian Bran to be sold in 2023 is 80,000 tons, along with approximately 61,000 breeding pigs.

### DOUBLE THE SIZE OF "VEGETARIAN-FED PIG" HERD

In 2023, BaF plans to increase the total number of sows to 37,000 and the number of market hogs to 270,000, which is double the figures of 17,000 sows and 120,000 market hogs at the end of 2022.

### PUSHING FORWARD NEW PRODUCT RESEARCH AND DEVELOPMENT

BaF recognizes that FOOD is a key factor that drives growth, not only in terms of revenue but also in profit margins within the chain. Therefore, BaF will research and develop processed meat products to diversify benefits and options, and meet the consumer's demand. BaF continuously strives to build its reputation, seek cooperation opportunities, maintain attractiveness to customers, partners, and investors.

### COLLABORATING WITH FARMERS TO BUILD LINKAGE CHAINS

In addition, BaF has been and is currently implementing a chain of connections with small-scale livestock farmers by providing them with livestock breeds, animal feed, supporting animal food, biological safety for farms, and purchasing products from farmers. Furthermore, the Company is also focused on improving livestock breeding standards, protecting the environment, and preventing epidemics.

With these efforts, BaF hopes to contribute to the development of the local economy and join in changing the practices of small-scale livestock farming.

### REGARDING THE MOBILIZATION OF CAPITAL FROM OTHER INVESTMENT FUNDS

Currently, with its reputation in the market as well as its expanding operational strategy, BaF is working closely with many domestic and international investment funds through reputable financial advisory companies in order to accompany and develop enterprises, build business strategies, and promote green development. The participation of investment funds will bring great benefits to BaF, along with the addition of investment capital for production and business. The partnership with investment funds will help BaF to professionally manage its finances, attract funding from credit institutions at lower costs, and enhance BaF's position in the market.

## OPERATION DIRECTIONS OF THE BOD IN 2023

The BOD carries out the management of the Company in accordance with the regulations on corporate governance applied to public companies and in accordance with the Charter approved by the GMS. Each member of the BOD performs their duties and powers fairly, honestly, and complies with ethical and professional standards.

The BOD leads and supervises all activities of the BOM on the basis of creating the best conditions in terms of mechanisms, policies, human resources, and infrastructure to help the BOM complete their assigned tasks. They timely reward groups and individuals who bring benefits to the Company, and also instruct the CEO to replace weak officials who fail to complete their assigned tasks.

The BOD closely coordinates with the BOS, ensures the provision of full documents and necessary information for the BOS, and respects the objective and independent status of the BOS. The BOD creates the best conditions for the members of the BOS to perform their functions and duties and supervises the handling of violations proposed by the BOS.

The BOD, BOS, and BOM continue to closely coordinate in their working relationship based on the following principles:

- Always work for the common interests of BaF and shareholders;
- Strictly comply with the relevant regulations on laws, Charter, and Company's governance regulations;
- Implement the principles of concentration, democracy, transparency, and openness;
- Coordinate with the highest sense of responsibility, honesty, cooperation, and regularly proactively coordinate to resolve difficulties within the Company.
- Direct the organization of the AGM in accordance with the provisions of the Enterprise Law and the Company's Charter. At the same time, propose solutions to implement the targets of the production and business plan approved by the GMS.





# REPORT OF THE BOARD OF SUPERVISION

MEMBERS OF THE BOS	TERM	NUMBER OF PARTICIPATIONS	REASON FOR ABSENCE
Mr NGUYEN THANH HAI	03 February 2021 - Now	2 times	100,0%
Ms DUONG THI HONG TAN	03 February 2021 - Now	2 times	100,0%
Mr NGUYEN QUOC VAN	03 February 2021 - Now	2 times	100,0%

## GOALS AND ACCOMPLISHMENTS IN 2022

The BOS has carried out its assigned rights and duties in a truthful and cautious manner to ensure the lawful interests of BaF and the Company's shareholders.

The BOS holds regular meetings to discuss, review, and implement tasks according to its functional responsibilities and assigned work.

The BOS has examined and evaluated the operations of the BOD, BOM, and the management system of the Company throughout the financial year related to the implementation of the plans approved by the AGM in 2022.

The BOS has cooperated with the BOM to organize inspections of the Company's production and business activities to detect risks and deficiencies in a timely manner and recommend appropriate solutions.

The BOS has attended meetings of the BOD and BOM to grasp the business operation and investment situation and participate in opinions within the scope of their responsibilities and authorities.

## ASSESSMENT OF THE PERFORMANCE RESULTS OF THE BOS

The BOS operate independently, fully comply with the provisions of the law and the BaF's Charter, are always proactive in their work and have completed assigned tasks.

**IN 2022, THE BOS DID NOT RECEIVE ANY COMPLAINTS ABOUT THE MANAGEMENT AND OPERATION OF THE COMPANY**

## RESULTS OF SUPERVISION OF THE COMPANY'S MANAGEMENT AND ADMINISTRATION

### MONITORING RESULTS FOR THE BOD

The BOS recognizes that the Bod has performed well in monitoring the BOM in implementing the resolutions of the AGM in 2022 and the business activities of BaF. The BOS evaluates that the BOD has closely supervised all areas of BaF's operations and proposed appropriate solutions to meet the actual situation, ensuring the interests of the Company and shareholders.

### MONITORING RESULTS FOR THE BOM

The BOS recognizes that the BOM has timely implemented the resolutions and decisions of the BOD as well as the AGM. The BOS evaluates that the BOM has organized and maintained weekly meetings, emergency meetings when issues arise; timely provided guidance and solutions to resolve difficulties in BaF's operations.

The BOS agrees that the BOM has seriously implemented the resolutions of the AGM and the BOD. The BOM has issued decisions and proposals within the appropriate authority, in accordance with legal regulations and the Company's Charter.

## COORDINATION BETWEEN THE BOD AND THE BOM WITH THE BOS

The BOS is provided with full information and documents according to the provisions of the Enterprise Law and the Company's Charter. The BOS is invited to attend meetings of the BOD and BOM and is able to contribute opinions on the issues discussed at the meetings within their scope of responsibility and authority.

## RESULTS OF MONITORING BUSINESS AND FINANCIAL ACTIVITIES IN 2022



## ACTION PLAN OF THE BOS IN 2023

The BOS will continue to perform the inspection and supervision work according to the functions and tasks specified in the Enterprise Law, the Company's Charter and the BOS's Operation Regulation with the following main focuses:

- Supervising compliance with legal regulations, charters, and regulations of the Company in business operations.
- Supervising the implementation of resolutions of the GMS and the BOD of the Company.
- Supervising the implementation of ongoing and new investment projects.
- Supervising the professional activities of functional departments.

## BUSINESS ACTIVITIES

In 2022, BaF's production and business activities were impacted by several unfavorable factors such as the pandemic, high interest rates, increased prices of materials and supplies, global political conflicts, intense competition, and general economic difficulties in the domestic market. However, the Company's leadership and employees worked together to overcome these challenges and successfully achieved their set objectives.

## LIVESTOCK PRODUCTION ACTIVITIES

Environmental management-related work has not been thoroughly resolved, which has partly affected livestock farming activities. The BOS seriously requests the Social and Environmental Department to handle the issue resolutely according to the committed schedule.

The BOS has noticed that the management team at the farms still lacks practical experience and needs more attention from leadership.

## INVESTMENT AND CONSTRUCTION ACTIVITIES

With the current livestock production goal, the need for farms is very urgent. The Project Department needs to strengthen management, urge departments and contractors to accelerate the construction progress, upgrade and renovate the old and new systems so that the projects can be put into operation and effectively exploited soon.

## TENDERING AND PROCUREMENT ACTIVITIES

The BOS recommends that the Project Department and the Procurement Department need to be more proactive in regularly evaluating the capacity of contractors and suppliers regarding their reputation, quality, progress, and price. Choosing strategic partners to establish long-term relationships can save resources while achieving high efficiency.

## MAINTENANCE AND REPAIR WORK

The BOS suggests that the Maintenance Department needs to regularly inspect the infrastructure to make timely proposals and expedite the upgrading and repairing work. With the modern technology system invested in the farms, maintenance resources need to ensure quality and receive in-depth training to detect and promptly address any issues that arise.

## SALES WORK

The Sales Department needs to be more responsive to the demand for pig exports from the Production Department, set a long-term business strategy including pigs and feed, and make reasonable calculations to save logistics costs.





# RISK MANAGEMENT

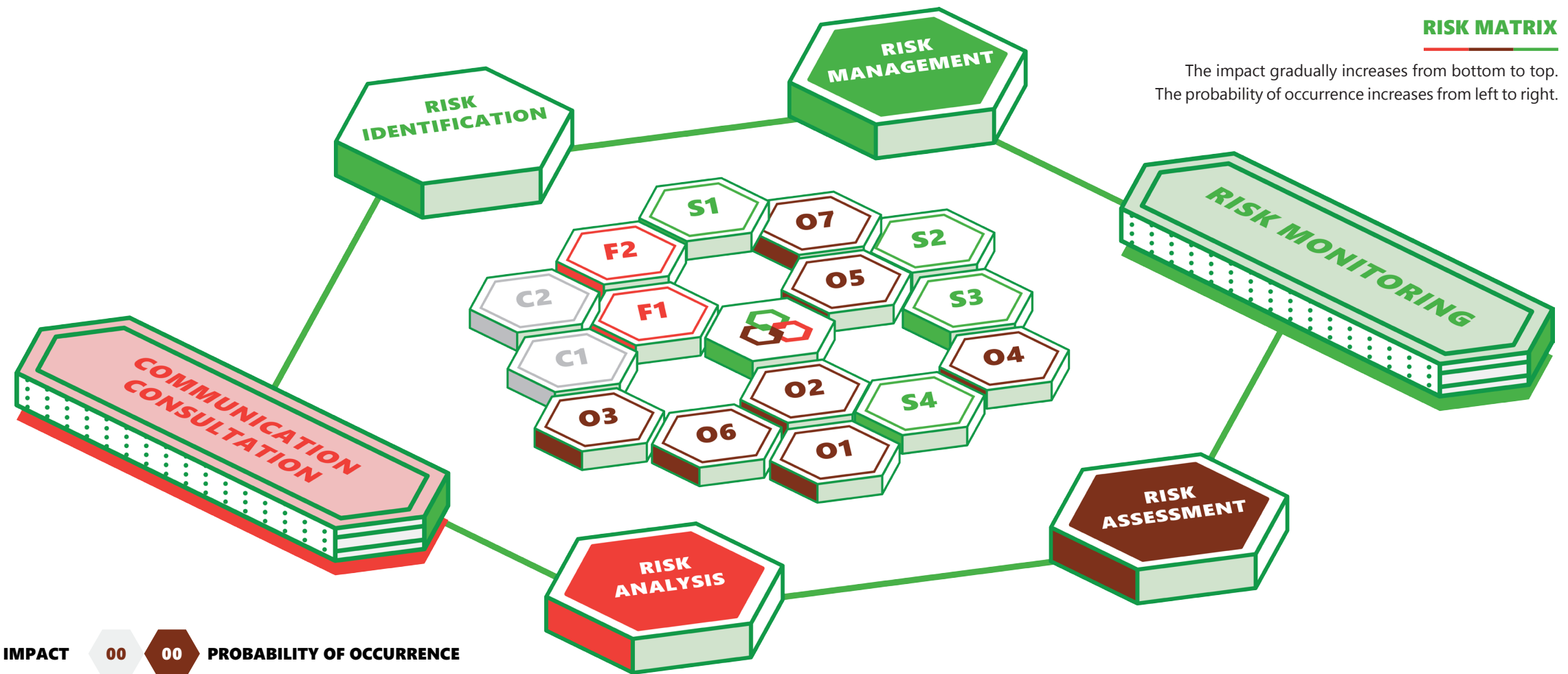
## RISK MANAGEMENT PROCESS TOWARDS INTERNATIONAL STANDARDS

As one of the leading agricultural companies in Vietnam with a closed 3F value chain, BaF faces many specific risks. On the other hand, every risk comes with opportunities. Identifying and accurately evaluating risks helps the Company not only limit damage but also seize potential business opportunities.

Therefore, risk management is always considered by BaF as a top priority strategic task.

The company builds a comprehensive and effective risk management process, towards the international standard ISO 31000:2018 on risk management and COSO standard on internal control.

Risks are classified according to the guidance of the COSO standard on internal control. The criteria “probability” and “impact” are measured in increasing order of magnitude on a scale of 1 to 5.



## STRATEGIC RISKS

### MACRO RISKS

S1 05 01

#### ANALYSIS

Any macro-level risk such as economic, political, social, etc. has the potential to deeply impact all components of the economy, including BaF.

#### SOLUTIONS

Continuously monitor and observe the economic, political, and social fluctuations both domestically and internationally.

Analyze and evaluate different scenarios of macroeconomic factors to make appropriate decisions.

### STRATEGIC DIRECTION RISKS

S2 05 01

#### ANALYSIS

The strategy of BaF may not be suitable for the actual situation.

#### SOLUTIONS

Continuously monitor, supervise the goals, plans, strategic directions, and implement timely changes.

### COMPETITIVE RISKS

S3 02 02

#### ANALYSIS

BaF may weaken or lose its competitive advantage.

The level of competition in the agriculture industry may increase if the growth of the industry decreases and/or the number of competitors increases.

#### SOLUTIONS

Regularly monitor and analyze the business environment. Proactively survey and research the market to grasp consumer trends.

Maintain and develop internal competitive advantages, especially the 3F integrated chain, distribution system, and brand.

### COMMUNICATION RISKS

S4 02 02

#### ANALYSIS

BaF may not be able to prevent, handle in a timely and reasonable manner negative information that appears outside the Company.

#### SOLUTIONS

Continuously update information outside the Company and take timely and appropriate measures.

Perform well PR and IR activities. Maintain good relations with the media.





## OPERATION RISKS

### MATERIAL RISKS



#### ANALYSIS

The shortage of input materials can disrupt BaF’s business operations. In addition, fluctuations in raw material prices also have a significant impact on the Company.

#### SOLUTIONS

Efficient inventory management. Negotiate specific plans with suppliers on demand and stable pricing.

### ENFORCEMENT RISKS



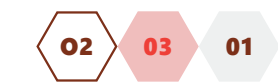
#### ANALYSIS

The implementation of business plans may not be successful.

#### SOLUTIONS

Monitor and supervise the effectiveness and progress of business plans to take timely response measures

### QUALITY RISKS



#### ANALYSIS

The products of BaF may be damaged when they reach consumers or may not meet quality and food safety standards.

#### SOLUTIONS

Standardize and fully implement the quality management process rigorously.

### INFORMATION TECHNOLOGY RISKS



#### ANALYSIS

BaF’s information technology system may be subject to cyberattacks or technical errors.

#### SOLUTIONS

Maintain and develop a modern and secure information technology system.

### LABOR SAFETY RISKS



#### ANALYSIS

BaF’s employees, especially those working in factories and farms, are at risk of injury and occupational accidents.

#### SOLUTIONS

Regularly organize training and education for employees on occupational safety.

### BUSINESS SECRECY RISKS



#### ANALYSIS

BaF may be at risk of disclosing business secrets that are strategic, such as the exclusive formula for Vegetarian Bran.

#### SOLUTIONS

Register for protection and patent exclusivity with state agencies. Strictly implement security of business processes and formulas.

### DISEASE RISKS



#### ANALYSIS

BaF’s pig herd may be at risk of being attacked by diseases, specifically ASF at present. Human diseases such as COVID-19 may appear in the future, causing particularly severe impacts on all aspects of the economy.

#### SOLUTIONS

Invest in building a closed, modern, 4.0-standard farms.

Regularly clean the barns, monitor and take care of the health of the livestock. Quickly access vaccines, especially ASF vaccines for pigs if available.

For COVID-19, the Company strictly implements the 2K principle and ensures that all employees are vaccinated. For future human diseases, the Company will continuously update information and react promptly to requests from health management authorities.

## FINANCIAL RISKS

### INTEREST RATE RISKS



#### ANALYSIS

Interest rate fluctuations will affect BaF’s financial costs.

#### SOLUTIONS

Monitor interest rate fluctuations. Make a cash flow plan, a reasonable and prudent debt payment schedule.

### COMMERCIAL CREDIT RISKS



#### ANALYSIS

BaF may find it difficult to obtain trade credit from its partners.

#### SOLUTIONS

Closely monitor commercial credits. Actively encourage collections on time. Carefully consider the capability of partners before making a decision.

## COMPLIANCE RISKS

### LEGAL RISKS



#### ANALYSIS

BaF is subject to the regulations of the legal system in Vietnam. As a publicly listed company, BaF must comply with the legal framework of the Vietnam stock market. The company is also subject to the control of industry-specific regulations on environmental protection, technical requirements in production, farming, slaughter, and food processing.

#### SOLUTIONS

Regularly update and comply with all legal regulations.

### ENVIRONMENTAL RISKS



#### ANALYSIS

BaF’s business activities have the risk of generating various types of waste, which could affect the environment.

#### SOLUTIONS

The company ensures full procedures and documentation related to the environment. The factories and farms must be confirmed to have completed environmental protection works before operating.





# STOCKS OF BaF

## STOCK TRADING TRANSACTIONS

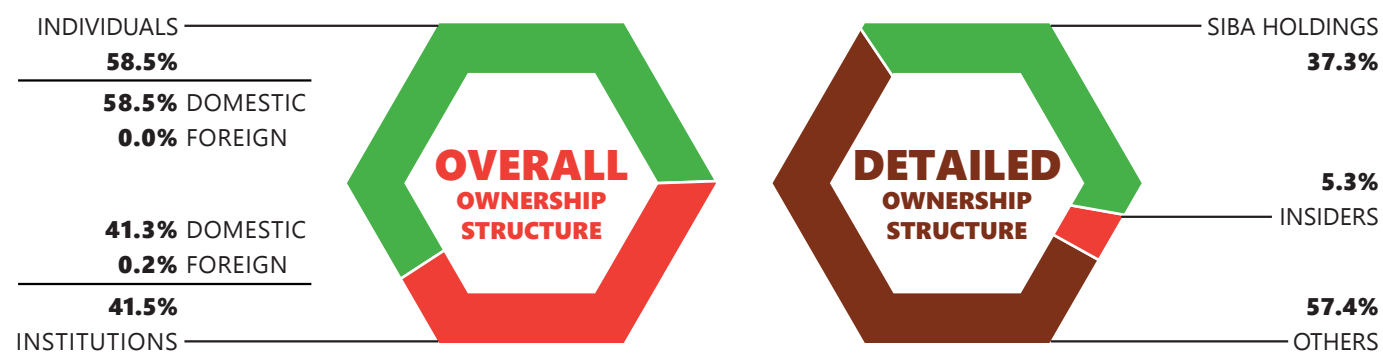
BY INSIDERS & RELATED PEOPLE

SHAREHOLDERS	OWNERSHIP AS AT 31 DECEMBER 2021		CHANGES DURING PERIOD		OWNERSHIP AS AT 31 DECEMBER 2022	
	Quantity	Ratio	Increase	Decrease	Quantity	Ratio
SIBA HOLDINGS JSC (1)	15,990,000	20.5%	+37,578,350	-	53,568,350	37.3%
Ms BUI HUONG GIANG	10,337,500	13.3%	+8,683,500	-13,852,250	5,168,750	3.6%
Mr PHAN NGOC AN	4,955,000	6.4%	+4,116,200	-9,071,200	-	-
Mr LE XUAN THO	1,590,000	2.0%	+1,324,600	-2,075,400	839,200	0.6%
Mr NGO CAO CUONG (2)	66,900	0.0%	-	-24,500	42,400	0.0%

Detailed information about the position of other insiders can be found on page 94. In addition:

(1) Siba Holdings JSC has the same Chairman of the BOD as BaF; Mr Ngo Cao Cuong is Chief Accountant of BaF.

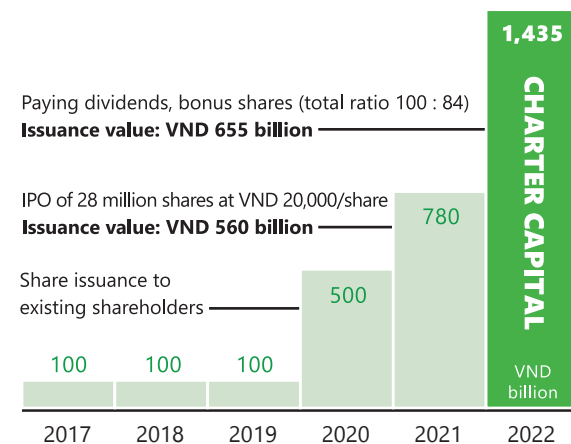
(2) Changes include an increase in the number of shares due to BaF's bonus share issuance, with a total ratio of 100:84 in 2022.



SHAREHOLDERS	QUANTITY	RATIO
Domesitc	143,262,002	99.8%
● Institutions	59,270,057	41.3%
● Individuals	83,991,945	58.5%
Foreign	257,998	0.2%
● Institutions	196,208	0.2%
● Individuals	61,790	0.0%
<b>OUTSTANDING SHARES</b>	<b>143,520,000</b>	<b>100.0%</b>
Treasury shares	-	-
<b>ISSUED SHARES</b>	<b>143,520,000</b>	<b>100.0%</b>

## CHANGES IN INVESTMENT CAPITAL OF THE OWNER

In 2022, BaF did not execute any transactions of treasury shares and instead distributed dividends in the form of shares (ratio 100:45) and bonus shares (ratio 100:39), thereby increasing its charter capital from VND 780 billion to VND 1,435.2 billion.



## OWNERSHIP

AS AT 31 DECEMBER 2022

INSIDERS		QUANTITY	RATIO	NOTES
<b>BOARD OF DIRECTORS</b>				
Mr TRUONG SY BA	Chairman	-	-	Appointed on 15 March 2022
Ms BUI HUONG GIANG	Member	5,168,750	3.6%	CEO
Mr PHAN NGOC AN	Member	-	-	Deputy CEO
Mr BUI QUANG HUY	Member	-	-	
Mr LE XUAN THO	Member	839,200	0.6%	
Mr NGUYEN ANH TUAN	Member	1,570,000	1.1%	Resigned on 21 February 2022
<b>TOTAL (1)</b>		<b>7,577,950</b>	<b>5.3%</b>	

<b>BOARD OF MANAGEMENT</b>				
Mr NGUYEN TIEN THANH	Standing Deputy CEO	-	-	Appointed on 25 July 2022
<b>TOTAL (2)</b>		-	-	

<b>BOARD OF SUPERVISION</b>				
Mr NGUYEN THANH HAI	Head	20,000	0.0%	
Ms DUONG THI HONG TAN	Member	-	-	
Mr NGUYEN QUOC VAN	Member	5,000	0.0%	
<b>TOTAL (3)</b>		<b>25,000</b>	<b>0.0%</b>	

**TOTAL = (1) + (2) + (3)** **7,602,950** **5.3%**

## LIST OF MAJOR SHAREHOLDERS

FULL NAME	QUANTITY	RATIO	NOTES
SIBA HOLDINGS JSC	53,568,350	37.3%	Related to Chairman
<b>TOTAL</b>	<b>53,568,350</b>	<b>37.3%</b>	



# THẢO LUẬN VÀ GIẢI ĐÁP Ý KIẾN



## INVESTOR RELATIONS

### EVENT CALENDAR FOR INVESTORS IN 2023

#### CONTACT FOR INVESTOR RELATIONS AND INFORMATION DISCLOSURE

**Ms LUU NGOC TRAM**  
Phone: +84-766-074-787  
Email: ir@baf.vn

#### INFORMATION PORTAL FOR INVESTORS



BAF.VN/QUAN-HE-CO-DONG

DOCUMENTS / EVENTS	TIME	STATUS
Financial statements 2022 (Audited by EY)	31 March 2023	Published on time
Annual report 2022	19 April 2023	Published on time
Annual General Meeting of Shareholders 2023	May 2023	
Financial statements Q1/2023	30 April 2023	
Financial statements Q2/2023	30 July 2023	
Governance report 1H/2023	30 July 2023	
Financial statements 1H/2023	29 August 2023	
Financial statements Q3/2023	30 October 2023	

#### PROVIDE INFORMATION

#### **CORRECT - SUFFICIENT - TIMELY**

BaF publicly discloses information to all parties, including investors. The Company always proactively announces timely information on business activities, financial situation, and any other important abnormal information through financial statements, corporate governance reports, annual reports, press releases on the Company's website at <https://baf.vn>, and other media channels.

#### **INVESTOR RELATIONS ARE NOT JUST A RESPONSIBILITY, THEY ARE ALSO RIGHTS AND OPPORTUNITIES THAT BaF ALWAYS APPRECIATES**

At BaF, investor relations are not just obligations and responsibilities to disclose information according to the law, but the Company sees it as a right and opportunity to care for and appreciate current investors who have placed their trust in the Company, as well as to introduce BaF's vision of "improve the quality of life" to customers, partners, and potential investors.

The leadership of BaF always strives to maintain regular interaction, directly exchanging and listening to the opinions of investors through GMS; direct meetings; exchanges via phone, email, social media platforms, and more. The Company also regularly organizes field trips to its factory and farm system to help investors timely, accurately, objectively, and comprehensively grasp the Company's operating status and development prospects.

**CLICK ON DOCUMENTS / EVENTS TO SEE MORE DETAILS**





# A SUSTAINABLE VISION

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STEP UP THE EMPLOYEE CAREER	102
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The 17-colored circle around the logo of BaF represents the **17 Sustainable Development Goals (SDG)** adopted by the United Nations General Assembly in 2015, aimed at ending poverty, protecting the planet and ensuring prosperity for all.





## SUSTAINABLE VISION OF BaF ALIGNED WITH THE 17 GOALS OF UN AND SUSTAINABILITY FRAMEWORK OF IFC

At BaF, we believe that an effective and sustainable business must be able to create sustainable, long-term value for themselves and stakeholders. BaF identifies 4 core strategic objectives towards a sustainable vision, including:



On 25 September 2015, the United Nations General Assembly adopted 17 Sustainable Development Goals (SDG) aimed at eradicating poverty, protecting the planet, and ensuring peace and prosperity for all people by 2030.

Understanding deeply the importance and humanitarian significance of the UN's vision, BaF has implemented a reference and executed a sustainable strategy aligned with the 17 Goals. Among them, BaF identifies 4 crucial SDGs, including:







# SUSTAINABLE VISION OF BaF ALIGNED WITH THE 17 GOALS OF UN AND SUSTAINABILITY FRAMEWORK OF IFC



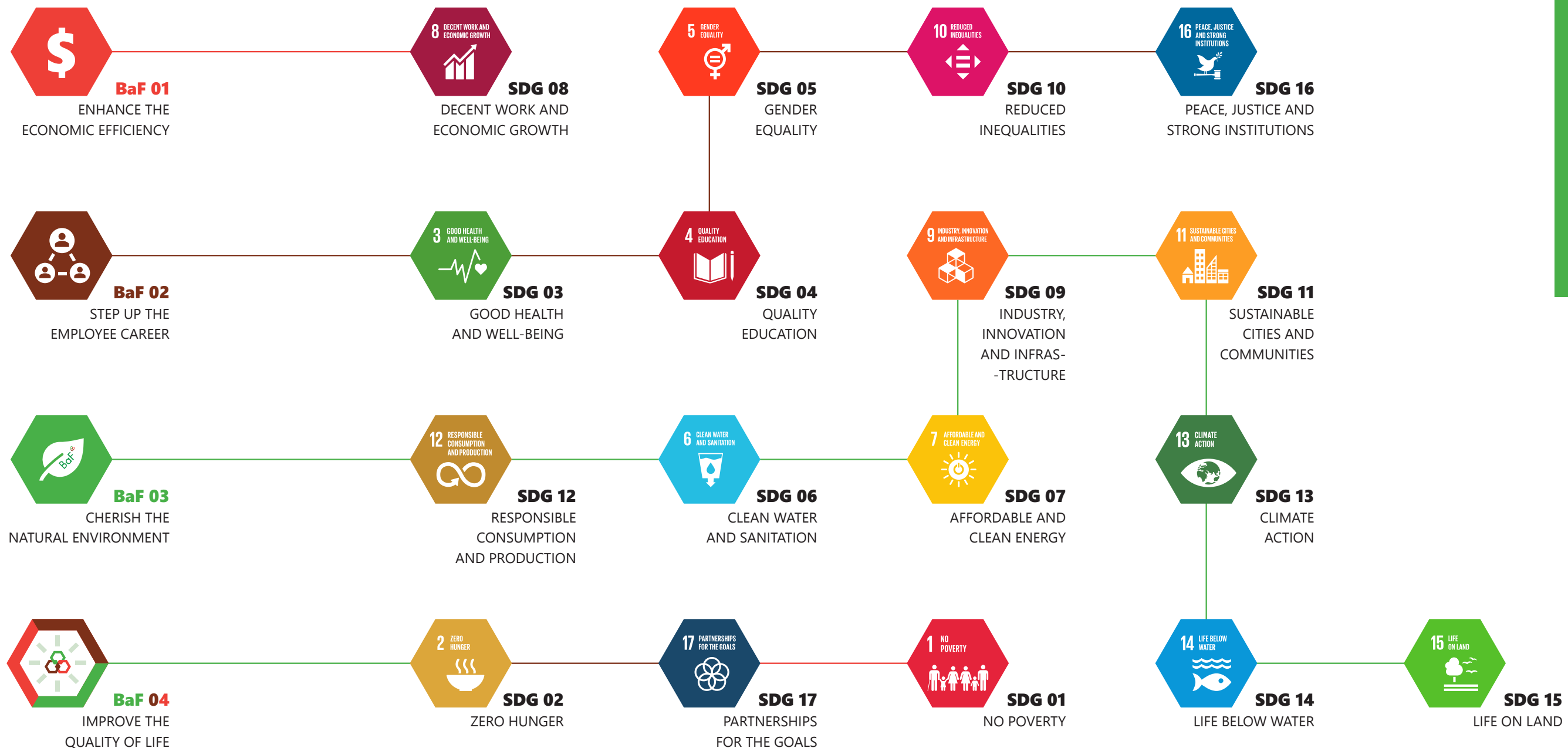
**THE GLOBAL GOALS**  
For Sustainable Development

FURTHER INFORMATION  
ABOUT THE 17 GOALS

**SDG**  
OF THE UNITED NATION



GLOBALGOALS.ORG







## ENHANCE THE ECONOMIC EFFICIENCY



### GOOD PRACTICE, CREATIVE USE OF THE 5 SUCCESS FACTORS

The unique 5 success factors is the guideline for all activities of BaF, it makes a decisive impact on the success, effective development, consistency and sustainability of the entire system of the Company. Therefore, each BaF person must not only remember and instill the core value system, but also practice regularly and continuously, and apply it to production activities to achieve the highest work efficiency.



DETAILS OF FACTORS ON PAGE 10

### APPLICATION OF LEADING INTERNATIONAL STANDARDS AND INNOVATIONS

As a leading livestock and food company, ensuring effective management, rational use of resources, tight control of business processes, and strict quality control are always important factors that BaF focuses on. The Company has implemented many initiatives, leading international standards such as the ERP-Solomon system for internal management, VietGap standards, VILAS 943 standards,...

Especially, BaF Tay Ninh Animal Feed Factory is the first unit in Vietnam to achieve 2 certifications at the same time, which is considered the highest standard of quality management system in animal feed production, applying used worldwide are GlobalG.A.P CFM V3.0 and FSSC 22000 ver 5.1.

### MAXIMIZING COMPETITIVE ADVANTAGES

BaF has many advantages over other companies in the same industry and always tries to maximize the existing competitive advantages to enhance the Company's economic efficiency.

BaF currently has access to abundant agricultural supply sources at reasonable prices, which are used as raw materials to produce animal feed directly supplied to the Company's internal farms. This process creates a closed model chain that helps reduce intermediate stages of feed supply, lower costs, and better control the quality of feed sources as well as the risk of disease transmission from the supply chain system.

Thanks to abundant land funds, a healthy financial structure, and good business cash flow, BaF has continuously expanded its business infrastructure in a short time, thereby reducing costs due to the economy of scale of large-scale production. The Company's farms and factories are invested in, built systematically, modernly, and coherently, contributing to improving productivity and economic efficiency.

Not only optimizing the competitive advantages in the input production process, BaF also owns a large customer base with stable selling prices signed under annual contracts, ensuring the Company's output.

### BRINGING THE HIGHEST BENEFITS TO SHAREHOLDERS AND CONTRIBUTING TO THE NATIONAL ECONOMY

As a business enterprise, generating profits and maximizing benefits for shareholders is always a top priority for BaF. In line with the expectations of its shareholders, BaF has achieved strong business results and financial growth every year since its establishment. From 2017 to 31 December 2022, with an initial charter capital of only VND 100 billion, the Company has generated a total accumulated revenue of VND 56,880 billion, recording a total accumulated after-tax profit of VND 675 billion.

The leadership of BaF highly values the trust and companionship of its shareholders, and always considers and takes action to maximize economic benefits for the Company's owners. The total dividend payment rate in 2022 is 84%, equivalent to VND 655 billion, which is the most vivid proof of the efforts of the leadership to concretize the results of labor for shareholders. not just stop at the accounting numbers on the books.

BaF's business activities span across Vietnam, contributing to creating jobs for local people. BaF is proud to contribute to the budget and the development of 7 provinces and cities. In 2022, the Company's contribution to the state budget was VND 21 billion.

8 DECENT WORK AND ECONOMIC GROWTH



TAX PAYMENT FROM 2019 TO 2022

140 VND BILLION

TOTAL REVENUE FROM 2017 TO 2022

56,880 VND BILLION

TOTAL NET PROFIT FROM 2017 TO 2022

675 VND BILLION

DIVIDEN RATE IN 2022

84% OF PAR VALUE



FSSC 22000



GLOBALG.A.P.





# STEP UP THE EMPLOYEE CAREER



## THE TOP PRIORITY IS SAFETY AND HEALTH

The safety and health of employees and their families are the top priority at BaF. Especially in the context of the COVID-19 pandemic sounded an alarm that an epidemic may occur at any time. The company strictly complies with the regulations and recommendations of the Government on preventing and controlling potential epidemics.

BaF takes care of employees' health through regular health check-ups, supporting medical expenses, promptly and fully address insurance and maternity policies for employees.

### 3 GOOD HEALTH AND WELL-BEING



#### OCCUPATIONAL SAFETY

BaF ensures maximum occupational safety for employees, especially at factories and farms by issuing guidelines on occupational safety; organize the inspection and assessment of the implementation of labor regulations, fully equip employees with labor protection equipment; regularly organize training courses on fire prevention, first aid, food hygiene and safety,...

## EXPANDING THE WELCOMING ARMS TO ATTRACT TALENTS

In today's dynamic and developing economy, the job market has become extremely competitive and attracting talented people requires BaF to build a proactive recruitment policy, attractive remuneration with a professional and fair working environment.

#### PROACTIVELY SEEKING TALENT

BaF actively collaborates with reputable universities and colleges in training animal husbandry and veterinary techniques, such as the University of Agriculture Forestry Ho Chi Minh City, etc. The Company will work with these institutions to develop training programs that are aligned with the Company's development direction and committed to employment outcomes. BaF also provides scholarships for students and offers them internships at the Company's factories and farms, creating a high-quality workforce to work with BaF.

#### PROFESSIONAL, FAIR WORKING ENVIRONMENT

BaF strives to build a professional, friendly, and equitable working environment. The Company invests in modern and spacious facilities, providing employees with a comfortable and convenient workspace to maximize their creativity and improve labor productivity. The working culture at BaF is highly competitive, encouraging critical thinking and striving for excellence while ensuring fairness, democracy, and humanity. The leadership always listens to the thoughts and desires of employees, establishes a hotline to receive feedback and complaints from staff. other factors.

### 8 ECONOMIC GROWTH



### 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



### 10 REDUCED INEQUALITIES







# CHERISH THE NATURAL ENVIRONMENT



BAF.VN

Protecting our environment starts with the smallest actions. BaF prioritizes the use of recycled materials; minimize the use of plastic bags, paper,... to contribute to reducing the consumption of forest resources, indirectly reducing CO2 emissions and environmental pollutants. All documents are digitized. Electronic means such as emails, electronic contracts, digital signatures, etc. are preferred.

BaF's 2022 Annual Report is printed in the minimum quantity. The electronic version integrates advanced features such as hyperlinks, intelligent interaction, vivid and convenient multimedia content, hoping to attract and encourage the use of electronic version instead of paper version.

**EXPLORE MORE ! CLICK TO WATCH VIDEO**



## COMPLIANCE WITH ENVIRONMENTAL LAWS

With the characteristics of the agricultural industry in general, BaF's business activities directly affect the natural environment, requiring the Company to fully comply with environmental laws and regulations.

Before starting any factory or livestock farm project, it must be approved by the competent authority with an environmental impact assessment report.



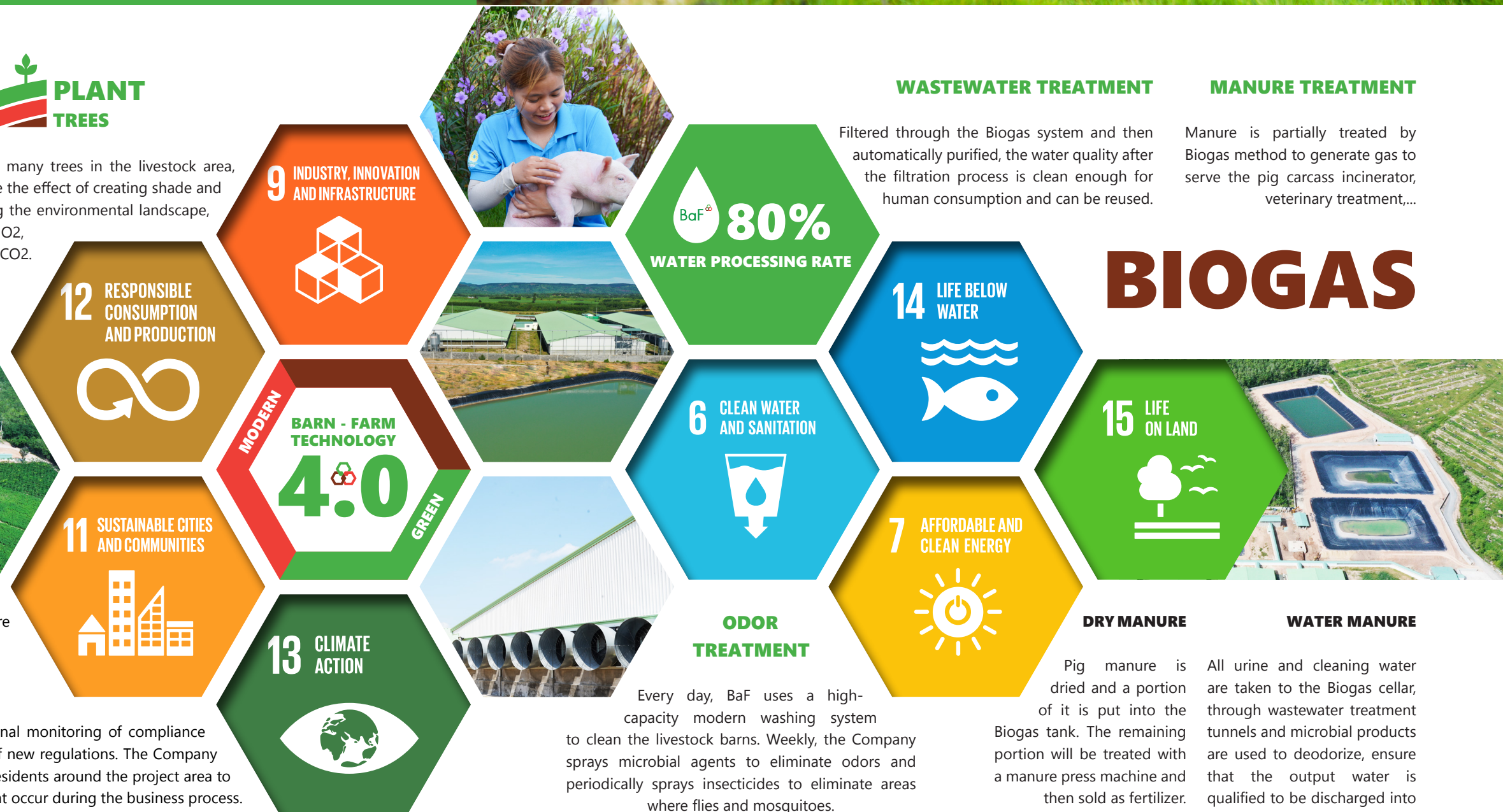
BaF plants many trees in the livestock area, which have the effect of creating shade and beautifying the environmental landscape, producing O2, absorbing CO2.



During the construction and operation process, the projects are regularly and closely checked and monitored.

## ACTIVELY PROTECTING THE NATURAL ENVIRONMENT

BaF has established a specialized department responsible for internal monitoring of compliance with current environmental regulations as well as timely updating of new regulations. The Company also has a mechanism for reflecting and handling complaints from residents around the project area to promptly receive, handle, and remedy any environmental impacts that occur during the business process.







## CHERISH THE NATURAL ENVIRONMENT



## SUSTAINABLE VISION OF BaF ALIGNED WITH THE 17 GOALS OF UN AND SUSTAINABILITY FRAMEWORK OF IFC

### COMPLIANCE WITH IFC'S STANDARDS ON ENVIRONMENTAL, HEALTH, SAFETY POLICIES

The Environmental, Health and Safety Policy (EHS) is BaF's commitment to continuously and proactively carry out environmental, health and safety activities to prevent any harm and negative impacts, disaster as well as environmental impacts that may arise as a result of business management, compliance with Vietnam's current E&S regulations as well as international standards, including Performance Standards (PS) of the International Finance Corporation (IFC) and the General and Specific EHS Guidelines of the World Bank Group.

BaF is committed to implementing the provisions of current laws, international standards, requirements of partners and stakeholders with continuous improvement.

#### ABOUT ESH POLICY OF BaF

#### ABOUT SUSTAINABILITY FRAMEWORK OF IFC



### BaF'S COMMITMENT OF ANIMAL WELFARE

BaF is aware that the interests of farm animals in the production system should be considered. Animal welfare ensures good health and physical condition, mental health, and respect for species-specific behaviors.

#### BaF'S COMMITMENT TO THE PRINCIPLES OF ANIMAL WELFARE AS FOLLOWING:

- ENSURE ADEQUATE DIET TO MAINTAIN HEALTH AND VITALITY.
- PROVIDE A COMFORTABLE LIVING ENVIRONMENT.
- PREVENTION OR RAPID DIAGNOSIS AND TREATMENT OF INJURIES AND ILLNESSES.
- ENSURE A LIVING ENVIRONMENT FREE OF FEAR AND SUFFERING.





# IMPROVE THE QUALITY OF LIFE

## SHARE WITH THE COMMUNITY

As an integral part of the sustainable vision, BaF always pays attention to social responsibility. That is the driving force behind the Company's construction of programs aimed at the community; sharing with society through useful volunteer programs; and contributing to the development of the locality and the country.



As an agricultural company, BaF understands its responsibility to the community in ensuring the adequate supply of essential products with high quality and reasonable prices in the context of a difficult economy. In the year, BaF sold over 303,500 Vegetarian-Fed pigs and more than half a million tons of commercial business of ingredients, contributing to stabilizing the market and maintaining food

## ACCOMPANYING FARMERS TOGETHER TO LIFT VIETNAM'S AGRICULTURE TO NEW HEIGHTS

Responding to the call of the Vietnamese Government on the goal of building a modern livestock industry, which has been specified in Decision No 1520/QĐ-TTg in 2020, BaF has been implementing a chain of linkages with small farmers through the provision of seed, animal feed, experience support, purchase of farmers' products and many other practical solutions.

BaF expects that this contribution will help accelerate the shift from small-scale livestock farming to a modern, closed linkage model, thereby ensuring sustainable livelihoods for farmers and increasing value for the Company.

## UPGRADE THE EXPERIENCE OF HIGH-QUALITY CONSUMER GOODS

The population boom and economic prosperity have led to an increasing demand for meat consumption in Vietnam - a market of nearly 100 million people and about 15 million tourists annually. Along with that, pork still accounts for the highest proportion in the Vietnamese diet.

Amid the concern of scarce clean pork, consumers tend to shift to using more imported pork. And after many pig diseases such as ASF, consumers are increasingly concerned about food quality, they are willing to spend more on safe pork with clear origin traceability.

This trend is both a challenge and an opportunity, motivating BaF to bring delicious, high-standard Vegetarian-Fed Pork that is not inferior to imported products but more attractive and reasonable in price. From there, BaF contributes to raising the level of high-quality consumer experience for each Vietnamese person.



# A COMPLETE RESULT



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# GENERAL INFORMATION

## THE COMPANY

BaF Vietnam Agriculture Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No, 0107795944 issued by the Department of Planning and Investment of Ha Noi City on 7 April 2017, as amended, and the latest amendment being the 16th issued by the Department of Planning and Investment of Ho Chi Minh City on 16 June 2022,

The Company's shares are listed on the Ho Chi Minh Stock Exchange ("HOSE") with trading code of BaF in accordance with the Decision No, 641/QD-SGDHCM issued by HOSE on 24 November 2021,

The current principal activities of the Company are to carry out the mixed farming activities, trade in agricultural products and produce animal feed,

The Company's registered head office is located at 62 Song Hanh Street, Ha Noi Highway, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam, Also, the Company has eleven (11) branches located in the cities and provinces of Vietnam including Thuan An - Binh Duong, Bac Tan Uyen - Binh Duong, Dong Nai, Ha Noi, Nghe An, Hoa Binh, Vinh Phuc, Thanh Hoa, Dong Thuan Town - Binh Thuan, Town 3 - Binh Thuan and Binh Phuoc,

## BOARD OF DIRECTORS

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

Mr Truong Sy Ba	Chairman	appointed on 15 March 2022
Mr Phan Ngoc An	Chairman	resigned on 15 March 2022
	Member	appointed on 15 March 2022
Ms Bui Huong Giang	Member	
Mr Bui Quang Huy	Member	
Mr Le Xuan Tho	Member	
Mr Nguyen Anh Tuan	Member	resigned on 21 February 2022

## BOARD OF SUPERVISION

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

Mr Nguyen Thanh Hai	Head
Ms Duong Thi Hong Tan	Member
Mr Nguyen Quoc Van	Member

## MANAGEMENT

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

Ms Bui Huong Giang	General Director
Mr Phan Ngoc An	Deputy General Director
Mr Nguyen Tien Thanh	Standing Deputy General Director appointed on 25 July 2022

## LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms Bui Huong Giang,

## AUDITORS

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



# REPORT OF MANAGEMENT

Management of BaF Vietnam Agriculture Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2022,

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

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

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

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

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements,

## STATEMENT BY MANAGEMENT

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

**BUI HUONG GIANG**  
General Director

Ho Chi Minh City, Vietnam

30 March 2023





# INDEPENDENT AUDITORS' REPORT



REFERENCE: 12943524/66878879-HN

A MEMBER FIRM OF ERNST & YOUNG GLOBAL LIMITED

**TO: THE SHAREHOLDERS OF BAF VIETNAM AGRICULTURE JOINT STOCK COMPANY**

We have audited the accompanying consolidated financial statements of BaF Vietnam Agriculture Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as prepared on 30 March 2023 and set out on pages 5 to 57, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto,

## MANAGEMENT'S RESPONSIBILITY

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

## AUDITORS' RESPONSIBILITY

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

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements,

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another audit firm which expressed an unmodified opinion on those consolidated financial statements on 10 February 2022,

## ERNST & YOUNG VIETNAM LIMITED



**HANG NHAT QUANG**  
Deputy General Director  
Audit Practicing Registration Certificate  
No, 1772-2023-004-1

Ho Chi Minh City, Vietnam

30 March 2023

**HUYNH NGOC MINH TRAN**  
Auditor  
Audit Practicing Registration Certificate  
No, 4637-2023-004-1





## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

ASSETS		NOTES	ENDING BALANCE	BEGINNING BALANCE AS RESTATED (NOTE 39)
				VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>2,662,699,738,155</b>	<b>4,330,369,174,765</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>5</b>	<b>151,374,475,776</b>	<b>240,885,247,960</b>
111	Cash		108,574,475,776	215,635,247,960
112	Cash equivalents		42,800,000,000	25,250,000,000
<b>120</b>	<b>Short-term investments</b>		<b>100,000,000,000</b>	<b>57,182,666,667</b>
121	Held-for-trading securities		-	65,097,500,000
122	Provision for held-for-trading securities		-	(7,914,833,333)
123	Held-to-maturity investments	6	100,000,000,000	-
<b>130</b>	<b>Current accounts receivable</b>		<b>1,502,476,580,095</b>	<b>2,933,059,782,424</b>
131	Short term trade receivables	7	1,313,962,230,556	2,764,759,937,080
132	Short-term advances to suppliers	8	142,136,494,506	115,690,518,984
135	Short-term loan receivables	9	1,887,924,989	-
136	Other short-term receivables	10	48,705,582,700	52,522,668,358
137	Provision for doubtful short-term receivables	10,11	(4,303,303,908)	-
139	Shortage of assets waiting for resolution		87,651,252	86,658,002
<b>140</b>	<b>Inventories</b>	<b>12</b>	<b>881,821,214,156</b>	<b>1,087,718,158,115</b>
141	Inventories		881,821,214,156	1,087,718,158,115
<b>150</b>	<b>Other current assets</b>		<b>27,027,468,128</b>	<b>11,523,319,599</b>
151	Short-term prepaid expenses	19	23,225,601,617	7,639,774,596
152	Value-added tax deductible		3,742,602,246	3,829,789,818
153	Tax and other receivables from the State		59,264,265	53,755,185

ASSETS		NOTES	ENDING BALANCE	BEGINNING BALANCE AS RESTATED (NOTE 39)
				VND
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>2,066,396,354,761</b>	<b>1,126,876,835,678</b>
<b>210</b>	<b>Non-current receivables</b>		<b>81,702,014,200</b>	<b>99,020,809,256</b>
215	Long-term loan receivables	9	675,000,000	17,110,809,256
216	Other long-term receivables	10	81,027,014,200	81,910,000,000
<b>220</b>	<b>Fixed assets</b>		<b>1,096,100,694,563</b>	<b>541,169,343,321</b>
221	Tangible fixed assets	13	888,984,185,387	334,052,829,972
222	+ Cost		1,048,316,645,849	419,331,312,611
223	+ Accumulated depreciation		(159,332,460,462)	(85,278,482,639)
227	Intangible fixed assets	14	207,116,509,176	207,116,513,349
228	+ Cost		212,584,171,376	210,637,871,376
229	+ Accumulated amortisation		(5,467,662,200)	(3,521,358,027)
<b>230</b>	<b>Investment properties</b>	<b>15</b>	<b>14,649,842,650</b>	<b>14,912,916,682</b>
231	+ Cost		15,175,990,712	15,175,990,712
232	+ Accumulated depreciation		(526,148,062)	(263,074,030)
<b>240</b>	<b>Long-term assets in progress</b>		<b>353,356,265,502</b>	<b>248,201,967,791</b>
242	Construction in progress	16	353,356,265,502	248,201,967,791
<b>250</b>	<b>Long-term investments</b>	<b>18</b>	<b>29,505,972,462</b>	<b>43,634,276,474</b>
252	Investments in jointly controlled entities & associates	18,1	-	43,634,276,474
253	Investment in other entities	18,2	29,505,972,462	-
<b>260</b>	<b>Other long-term assets</b>		<b>491,081,565,384</b>	<b>179,937,522,154</b>
261	Long-term prepaid expenses	19	483,390,784,371	175,676,820,790
262	Deferred tax assets	34,3	4,774,928,657	-
269	Goodwill	20	2,915,852,356	4,260,701,364
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,729,096,092,916</b>	<b>5,457,246,010,443</b>





## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
			VND
<b>300 LIABILITIES</b>		<b>2,986,428,033,002</b>	<b>4,002,427,538,977</b>
<b>310 Current liabilities</b>		<b>2,291,719,028,034</b>	<b>3,851,377,414,740</b>
311 Short-term trade payables	21,1	1,900,920,607,966	3,774,329,848,165
312 Short-term advances from customers	21,2	8,632,664,086	1,446,549,834
313 Statutory obligations	24	54,752,938,089	14,522,587,250
314 Payables to employees		23,660,558,031	9,600,905,410
315 Short-term accrued expenses	22	30,633,186,645	2,548,750,000
319 Other short-term payables	23	8,718,476,183	34,375,911,464
320 Short-term loans	25	264,400,597,034	14,552,862,617
<b>330 Non-current liabilities</b>		<b>694,709,004,968</b>	<b>151,050,124,237</b>
338 Long-term loans	25	692,905,367,577	148,527,179,781
341 Deferred tax liabilities	34,3	1,803,637,391	2,522,944,456
<b>400 OWNERS' EQUITY</b>		<b>1,742,668,059,914</b>	<b>1,454,818,471,466</b>
<b>410 Owners' equity</b>		<b>1,742,668,059,914</b>	<b>1,454,818,471,466</b>
411 Share capital	26,1	1,435,200,000,000	780,000,000,000
412 Share premium	26,1	-	279,844,500,000
421 Undistributed earnings	26,1	298,655,201,455	387,323,307,977
421a + Undistributed earnings by the end of prior years		11,967,807,977	65,602,860,188
421b + Undistributed earnings of current year		286,687,393,478	321,720,447,789
429 Non-controlling interests	27	8,812,858,459	7,650,663,489
<b>440 TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,729,096,092,916</b>	<b>5,457,246,010,443</b>

**NGUYEN HUYNH THANH MAI**  
Preparer

30 March 2023

**NGO CAO CUONG**  
Chief Accountant



**BUI HUONG GIANG**  
General Director





## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
			VND
<b>01 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES</b>	<b>28,1</b>	<b>7,085,368,377,828</b>	<b>10,434,950,532,701</b>
02 Deductions	28,1	(1,950,028,570)	(595,796,386)
<b>10 Net revenue from sale of goods and rendering of services</b>	<b>28,1</b>	<b>7,083,418,349,258</b>	<b>10,434,354,736,315</b>
11 Cost of goods sold and services rendered	30	(6,558,010,136,271)	(9,946,794,250,651)
<b>20 GROSS PROFIT FROM SALE OF GOODS AND RENDERING OF SERVICES</b>		<b>525,408,212,987</b>	<b>487,560,485,664</b>
21 Finance income	28,2	8,337,144,783	5,398,408,870
22 Finance expenses	29	(31,212,497,153)	(32,098,742,607)
23 + In which: Interest expense	29	(36,331,151,929)	(8,252,007,658)
24 Shares of profit (loss) of associate	18,1	831,315,671	(749,548,420)
25 Selling expenses	31	(72,229,870,717)	(15,742,973,158)
26 General and administrative expenses	31	(87,624,647,284)	(54,255,438,010)
<b>30 OPERATING PROFIT</b>		<b>343,509,658,287</b>	<b>390,112,192,339</b>
32 Other income	32	1,007,084,613	966,216,881
32 Other expenses	32	(5,638,958,195)	(605,538,533)
40 Other (loss) profit	32	(4,631,873,582)	360,678,348
<b>50 ACCOUNTING PROFIT BEFORE TAX</b>		<b>338,877,784,705</b>	<b>390,472,870,687</b>
51 Current corporate income tax expense	34,1	(56,593,281,979)	(66,158,924,178)
52 Deferred tax income (expense)	34,3	5,494,235,722	(2,522,944,456)
<b>60 NET PROFIT AFTER TAX</b>		<b>287,778,738,448</b>	<b>321,791,002,053</b>
<b>61 Net profit after tax attributable to shareholders of the parent</b>	<b>26,1</b>	<b>286,687,393,478</b>	<b>321,720,447,789</b>
<b>62 Net profit after tax attributable to non-controlling interests</b>	<b>27</b>	<b>1,091,344,970</b>	<b>70,554,264</b>

ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
			VND
70 Basic earnings per share	35	2,592	2,909
71 Diluted earnings per share	35	2,592	2,909

**NGUYEN HUYNH THANH MAI**  
Preparer

30 March 2023

**NGO CAO CUONG**  
Chief Accountant



**BUI HUONG GIANG**  
General Director





## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR AS RESTATED (NOTE 39)
			VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01 ACCOUNTING PROFIT BEFORE TAX</b>		<b>338,877,784,705</b>	<b>390,472,870,687</b>
<b>Adjustments for:</b>			
02 Depreciation and amortisation (including amortisation of goodwill)	13, 14, 15, 20	58,810,149,507	32,470,795,540
03 (Reversal of provisions) provisions		(3,611,529,425)	7,914,833,333
04 Unrealised foreign exchange (gain)		(232,284,234)	-
05 Profits from investing activities		(4,862,686,816)	(10,933,371,312)
06 Interest expense	29	36,331,151,929	8,252,007,658
<b>08 OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>		<b>425,312,585,666</b>	<b>428,177,135,906</b>
09 Decrease in receivables		1,424,056,001,156	764,925,288,069
10 Decrease (increase) in inventories		205,896,943,959	(98,327,572,822)
11 Decrease in payables		(2,040,511,128,453)	(761,084,856,958)
12 Increase in prepaid expenses		(303,400,117,364)	(39,573,894,870)
13 Decrease (increase) in held-for-trading securities		65,097,500,000	(65,097,500,000)
14 Interest paid		(27,870,178,823)	(8,252,007,658)
15 Corporate income tax paid	24	(17,978,509,653)	(63,433,657,343)
<b>20 NET CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(269,396,903,512)</b>	<b>157,332,934,324</b>

ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR AS RESTATED (NOTE 39)
			VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21 Purchase and construction of fixed assets		(504,465,486,036)	(481,821,246,199)
22 Proceeds from disposals of fixed assets		-	23,762,120,150
23 Placements of term deposits at banks and loans to other entities		(101,887,924,989)	-
24 Collections from borrowers		16,435,809,256	17,000,000,000
25 Payments for investment in associate		-	(197,515,388,947)
26 Proceeds from sale of investments in other entities		14,983,824,894	1,200,000,000
27 Interest and dividends received		(3,574,081,081)	4,455,002,453
<b>30 NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(578,507,857,956)</b>	<b>(632,919,512,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31 Issuance of shares	26,1	-	559,844,500,000
33 Drawdown of borrowings	25	882,785,285,130	149,790,750,439
34 Repayment of borrowings		(124,392,676,214)	(61,239,349,000)
<b>40 NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>758,392,608,916</b>	<b>648,395,901,439</b>
<b>50 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR</b>		<b>(89,512,152,552)</b>	<b>172,809,323,220</b>
<b>60 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>240,885,247,960</b>	<b>68,075,924,740</b>
61 Impact of exchange rate fluctuation		1,380,368	-
<b>70 CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>5</b>	<b>151,374,475,776</b>	<b>240,885,247,960</b>

**NGUYEN HUYNH THANH MAI**  
Preparer

**NGO CAO CUONG**  
Chief Accountant



**BUI HUONG GIANG**  
General Director

30 March 2023





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET | INCOME STATEMENT | CASH FLOW STATEMENT

## 1. CORPORATE INFORMATION

BaF Vietnam Agriculture Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0107795944 issued by the Department of Planning and Investment of Ha Noi City on 7 April 2017, and as amended, with the latest amendment being the 16th issued by the Department of Planning and Investment of Ho Chi Minh City on 16 June 2022,

The Company's shares are listed on the Ho Chi Minh Stock Exchange ("HOSE") with trading code as BaF in accordance with the Decision No. 641/QĐ-SGDHCM issued by HOSE on 24 November 2021,

The current principal activities of the Company and its subsidiaries ("the Group") are to carry out the mixed farming activities, trade in agricultural products and produce animal feed,

The Company's registered head office is located at 62 Song Hanh Street, Ha Noi Highway, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam. Also, the Company has eleven (11) branches located in the provinces and cities of Vietnam including Thuan An - Binh Duong, Bac Tan Uyen - Binh Duong, Dong Nai, Ha Noi, Nghe An, Hoa Binh, Vinh Phuc, Thanh Hoa, Dong Thuan Town - Binh Thuan, Town 3 - Binh Thuan and Binh Phuoc,

The number of the Group's employees as at 31 December 2022 was 1,065 persons (31 December 2021: 708),

### CORPORATE STRUCTURE

As at 31 December 2022, the Company has 17 subsidiaries as below:

	NAME OF SUBSIDIARY	LOCATION	OPERATION	% VOTING RIGHT	% OWNERSHIP
01	Anh Vu Phu Yen Company Limited ("Anh Vu Phu Yen")	Phu Yen	Animal husbandry	100,00%	100,00%
02	Bao Ngoc Livestock Company Limited ("Bao Ngoc Livestock")	Dak Lak	Animal husbandry	100,00%	100,00%
03	Minh Thanh Livestock Production Trading Service Company Limited ("Minh Thanh Livestock")	Tay Ninh	Animal husbandry	98,00%	98,00%
04	Bac An Khanh Production Trading Service Company Limited ("Bac An Khanh")	Tay Ninh	Animal husbandry	98,00%	98,00%
05	Dong An Khanh Production Trading Service Company Limited ("Dong An Khanh")	Tay Ninh	Animal husbandry	98,00%	98,00%
06	Nam An Khanh Livestock Company Limited ("Nam An Khanh")	Tay Ninh	Animal husbandry	98,00%	98,00%
07	Green Farm 1 Investment Company Limited ("Green Farm 1")	Tay Ninh	Animal husbandry	98,00%	98,00%
08	Green Farm 2 Investment Company Limited ("Green Farm 2")	Tay Ninh	Animal husbandry	98,00%	98,00%

	NAME OF SUBSIDIARY	LOCATION	OPERATION	% VOTING RIGHT	% OWNERSHIP
09	Hai Dang Tay Ninh High-Technology Livestock Joint Stock Company ("Hai Dang Tay Ninh")	Tay Ninh	Animal husbandry	99,40%	99,40%
10	Song Hinh High-Technology Livestock Company Limited ("Song Hinh")	Phu Yen	Animal husbandry	100,00%	100,00%
11	BaF Tay Ninh Feed Joint Stock Company ("BaF Tay Ninh")	Tay Ninh	Animal husbandry	99,00%	99,00%
12	BaF Binh Dinh Agricultural Joint Stock Company ("BaF Binh Dinh")	Binh Dinh	Animal husbandry	98,00%	98,00%
13	BaF Meat Binh Phuoc One Member Company Limited (BaF Meat Binh Phuoc")	Binh Phuoc	Pig slaughter and processing	100,00%	100,00%
14	Tam Hung Services Trading Company Limited ("Tam Hung")	Tay Ninh	Animal husbandry	99,90%	99,90%
15	Tan Chau Agriculture Investment Company Limited ("Tan Chau")	Tay Ninh	Animal husbandry	99,90%	99,90%
16	Thien Phu Son Export Import Trading and Production Company Limited ("Thien Phu Son")	Binh Phuoc	Animal husbandry	100,00%	100,00%
17	Kim Hoi Livestock Services Trading Joint Stock Company ("Kim Hoi Livestock")	Dong Nai	Animal husbandry	99,90%	99,90%

## 2. BASIS OF PREPARATION

### 2.1 ACCOUNTING STANDARDS AND SYSTEM

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and 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),





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET | INCOME STATEMENT | CASH FLOW STATEMENT 

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

## 2.2 APPLIED ACCOUNTING DOCUMENTATION SYSTEM

The Group's applied accounting documentation system is the General Journal system,

## 2.3 FISCAL YEAR

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

## 2.4 ACCOUNTING CURRENCY

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

## 2.5 BASIS OF CONSOLIDATION

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases, The financial statements of subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies,

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full, Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet,

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at banks and short-term highly liquid investments with an original maturity of not more than three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value,

### 3.2 INVENTORIES

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

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale,

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

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

### PROVISION FOR OBSOLETE INVENTORIES

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc) of inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date,

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

### 3.3 RECEIVABLES

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

### 3.4 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation,

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

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

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3.5 INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost less accumulated amortisation,

The cost of an intangible fixed asset comprises 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 consolidated 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 consolidated income statement,

### LAND USE RIGHTS

Land use rights are recorded as intangible fixed assets when the Group obtained the land use right certificates, The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for intended use,

The definite land use right is amortised over the useful life, while the indefinite land use right is not amortised,

## 3.6 LEASED ASSETS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset,

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee, All other leases are classified as operating leases,

### WHERE THE GROUP IS THE LESSEE

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term,

### WHERE THE GROUP IS THE LESSOR

Assets subject to operating leases are included as the Group's investment properties in the consolidated balance sheet, Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred,

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term,

## 3.7 DEPRECIATION AND AMORTISATION

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

Land use rights	46 - 50 years
Buildings and structures	3 - 25 years
Machinery and equipment	3 - 15 years
Means of transportation	6 - 10 years
Office equipment	3 - 10 years
Computer software	3 - 10 years
Livestock	4 years

## 3.8 INVESTMENT PROPERTIES

Investment properties are stated at cost including transaction costs less accumulated amortisation, Investment properties held for capital appreciation are not depreciated but subject to impairment review,

Subsequent expenditure relating to an investment property that has already been recognised 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 Group,

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office floor	50 years
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Investment properties are derecognised 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 recognised in the consolidated income statement in the period 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,

## 3.9 INVESTMENTS

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## INVESTMENTS IN JOINT VENTURES

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting, Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity, The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity,

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

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

## HELD-FOR-TRADING SECURITIES AND INVESTMENTS IN OTHER ENTITIES

Held-for-trading securities and in securities and investments in other entities are stated at their acquisition costs,

## HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are stated at their acquisition costs, After initial recognition, held-to-maturity investments are measured at recoverable amount, Any impairment loss incurred is recognised as finance expenses in the consolidated income statement and deducted against the value of such investments,

## PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

Provision for diminution in value of investments is made when there is 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 expenses in the consolidated income statement,

## 3.10 PREPAID EXPENSES

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

The following types of expenses are recorded as long-term prepaid expenses and are amortised to the consolidated income statement:

Tools and consumables with large value issued into production and can be used for more than one year; and

Livestock,

## PREPAID LAND RENTALS

The prepaid land rentals represent the unamortised balances of advance payments made in accordance with signed lease contracts, Such prepaid rentals are recognised as long-term prepaid expenses for allocation to the consolidated income statement over the corresponding remaining lease periods according to Circular No, 45/2013/TT-BTC issued by Ministry of Finance on 25 April 2013, providing guidance in management, use and depreciation of fixed assets,

## 3.11 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the purchase method, The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination, Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination,

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement, After initial recognition, goodwill is measured at cost less any accumulated amortisation, Goodwill is amortized over 10-year period on a straight-line basis, The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries, If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement,

## ASSETS ACQUISITIONS

The Group acquires subsidiaries that own assets and production activities, At the date of acquisition, the Group considers whether the acquisition represents the acquisition of a business, The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the assets,

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities, The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised, Accordingly, part of the allocated consideration is recorded to the account of long-term prepaid expenses in the consolidated balance sheet,





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3.12 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, except to the extent that they are capitalised as explained in the following paragraph,

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset,

## 3.13 PAYABLES AND ACCRUALS

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

## 3.14 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

All foreign exchange differences incurred are taken to the consolidated income statement,

## 3.15 REVENUE RECOGNITION

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

## SALE OF GOODS

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

## RENDERING OF SERVICES

Revenue from rendering of services is recognized when the services have been rendered and completed,

## INTEREST

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

## RENTAL INCOME

Rental income arising from operating leases is recognised in the consolidated income statement on a straight-line basis over the terms of the lease,

## 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 balance sheet date,

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

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

### DEFERRED TAX

Deferred tax is provided using the balance sheet method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes,

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss,





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss,

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 utilised, Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered,

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

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

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

## 3.17 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit after tax for the year attributable to ordinary shareholders of the Company (after adjusting the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year,

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares,

## 3.18 RELATED PARTIES

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

## 3.19 SEGMENT INFORMATION

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments,

The Group's principal activities are to carry out the mixed animal breeding, trade in agricultural products and produce animal feed, In addition, the Group's production and business activities are mainly carried out within the territory of Vietnam, Accordingly, management does not present information by geographical segment but do presents information by segment for business of the Group at Note 38,

## 4. SIGNIFICANT EVENTS DURING THE YEAR

### 4.1 ACQUISITION OF ASSETS

#### I ACQUISITION OF TAM HUNG

On 10 May 2022, the Group completely acquired 99,9% of ownership interest in Tam Hung from third parties for a total consideration of VND 29,970,000,000 in accordance with the Resolution of Board of Directors ("BOD") No, 0905/2022/NQ-BaF dated 9 May 2022, Accordingly, Tam Hung became the Group's subsidiary since that date,

At the acquisition date, Tan Hung owned a land lot located at Tan Cuong Hamlet, Tan Ha Commune, Tan Chau District, Tay Ninh Province, The difference between the consideration and Tam Hung's net assets from this transaction was VND 7,049,043,

#### II ACQUISITION OF TAN CHAU

On 11 August 2022, the Group completely acquired 99,9% of ownership interest in Tan Chau from third parties for a total consideration of VND 40,809,150,000 in accordance with BOD Resolution No, 06/2022/NQ-HDQT dated the same, Accordingly, Tan Chau became the Group's subsidiary since that date,

At the acquisition date, Tan Chau owned a land lot No, 23, Map No, 102 at Hamlet 4, Suoi Ngo Commune, Tan Chau District, Tay Ninh Province, The difference between the consideration and Tan Chau's net assets from this transaction was VND 1,099,089,347,

#### III ACQUISITION OF THIEN PHU SON

On 19 September 2022, the Group completely acquired 100% of ownership interest in Thien Phu Son from third parties for a total consideration of VND 64,183,771,710 in accordance with the BOD Resolution No, 07/2022/NQ-HDQT dated the same, Accordingly, Thien Phu Son became the Group's subsidiary since that date,

At the acquisition date, Thien Phu Son owned a land lot located at Dang Ha Commune, Bu Dang District, Binh Phuoc Province, The difference between the consideration and Tan Chau's net assets from this transaction was VND 4,307,195,655,





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## IV ACQUISITION OF KIM HOI

On 29 Novemeber 2022, the Group completely acquired 99,90% of ownership interest in Kim Hoi from third parties for a total consideration of VND 95,339,118,071 in accordance with the BOD Resolution No, 09/2022/NQ-HDQT dated the same, Accordingly, Kim Hoi became the Group's subsidiary since that date,

At the acquisition date, Kim Hoi owned a land lot located at Tan Hiep Ward, Bien Hoa City, Dong Nai Province, The difference between the consideration and Tan Chau's net assets from this transaction was VND 29,353,882,266,

Management reviewed and assessed that the said acquisitions of ownership interests in Tam Hung, Tan Chau, Thien Phu Son and Kim Hoi were acquisitions of a group of assets, not business combinations, As a result, the consideration of these transactions were allocated to the assets and liabilities acquired based on the fair value of those assets and liabilities at the date of acquisition, Accordingly, part of the allocated consideration is recorded as long-term prepaid expenses in the consolidated balance sheet, Acquired assets and liabilities are presented in the same class of assets and liabilities of the Group,

### 4.2 CAPITAL CONTRIBUTION TO ESTABLISH BAF MEAT BINH PHUOC

On 14 February 2022, the Group contributed a capital of VND 120,000,000,000, equivalent to 100% ownership, to establish a subsidiary, BaF Meat Binh Phuoc, in accordance with the BOD Resolution No, 1002-2022/NQ-BaF dated 10 February 2022,

### 4.3 DISPOSAL OF MYANMAR BAF LIVESTOCK COMPANY LIMITED ("BAF MYANMAR")

On 23 July 2022, the Group completed the transfer of its entire shares in BaF Myanmar to Viet Agro Pte., Ltd, ("Viet Agro"), a related party of the Group, at the total price of VND 14,983,824,894 in accordance with the BOD Resolution No, 10,05/NQ-BaF dated 10 May 2022, The gain from this transaction was recognised to the consolidated income statement, Accordingly, BaF Myanmar is no longer the Group's associate from that date (Note 18,1),

### 4.4 DILUTED OWNERSHIP IN SIBA FOOD VIETNAM JOIN STOCK COMPANY ("SIBA FOOD VIETNAM")

During the year, Siba Food Vietnam increased its share capital from VND 68,000,000,000 to VND 288,100,000,000, The Group did not increase its respective investment in this entity which caused a dilution in its ownership interest from 43,24% to 10,2% following the Certificate of Capital Contribution No, 3112/2022/GCN-SBF dated 31 December 2022, As a result, Siba Food Vietnam was no longer the Group's associate (Notes 18,1),

## 5. CASH AND CASH EQUIVALENTS

	ENDING BALANCE	BEGINNING BALANCE AS RESTATED (NOTE
		VND
Cash on hand	1,273,540,219	5,106,990,230
Cash at banks	107,300,935,557	210,528,257,730
Cash equivalents (*)	42,800,000,000	25,250,000,000
<b>TOTAL</b>	<b>151,374,475,776</b>	<b>240,885,247,960</b>

(\*) The ending balance represented term deposits at An Binh Commercial Joint Stock Bank with original maturity of less than three (3) months and earning interest at the rate of 6,0% per annum,

### ADDITIONAL INFORMATION REGARDING THE CONSOLIDATED CASH FLOW STATEMENT

	ENDING BALANCE	BEGINNING BALANCE
		VND
<b>NON-CASH TRANSACTIONS THAT HAVE IMPACT ON THE CONSOLIDATED CASH FLOW STATEMENT</b>		
Issuance of bonus shares	304,200,000,000	-
Stock dividends paid	351,000,000,000	-
Conversion of receivables to investments in subsidiaries	32,756,213,442	-
<b>TOTAL</b>	<b>687,956,213,442</b>	<b>-</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. HELD-TO-MATURITY INVESTMENTS

The ending balance represented term deposits at Joint Stock Commercial Bank for Investment and Development of Vietnam with the remaining maturity under twelve (12) months and earning interest at the rates ranging from 5,1% to 5,4% per annum, The Group pledged this deposit balance to secure for its bank loans (Note 25),

## 7. SHORT-TERM TRADE RECEIVABLES

	ENDING BALANCE	BEGINNING BALANCE AS RESTATED (NOTE
		VND
Due from other parties	1,255,248,826,671	2,534,945,622,142
+ Viet Phi Agriculture Joint Stock Company	434,934,149,750	83,068,554,050
+ Hoang Giang Co., Ltd,	329,134,804,490	249,531,747,682
+ Tan Thanh Nam Import Export Trade Investment Company Limited	192,024,997,500	94,543,645,500
+ Bao Lam Agriculture Joint Stock Company	187,704,034,380	-
+ Son La Service Development and Trading Busines Company Limited	-	530,954,129,580
+ OTE Group Joint Stock Company	-	332,222,891,900
+ Nong Lam Van Thanh Long Trading Company Limited	-	292,090,463,228
+ Hoan Kiem Investment Joint Stock Company	-	239,639,200,255
+ Other customers	111,450,840,551	712,894,989,947
Due from related parties (Note 36)	58,713,403,885	229,814,314,938
<b>TOTAL</b>	<b>1,313,962,230,556</b>	<b>2,764,759,937,080</b>

## 8. SHORT-TERM ADVANCES TO SUPPLIERS

	ENDING BALANCE	BEGINNING BALANCE
		VND
Advances made to other parties	69,451,992,236	88,737,692,688
+ Pigtek Vietnam Co., Ltd,	13,095,064,146	9,056,084,706
+ Green Environmental Technology and Construction Investment Co., Ltd,	10,181,365,620	6,240,000,000
+ Song Hong Urban Construction and Investment Corporation	-	23,751,499,500
+ Other suppliers	46,175,562,470	49,690,108,482
Advances made to a related party (Note 36)	72,684,502,270	26,952,826,296
<b>TOTAL</b>	<b>142,136,494,506</b>	<b>115,690,518,984</b>

## 9. SHORT-TERM LOAN RECEIVABLES

	ENDING BALANCE	BEGINNING BALANCE
		VND
<b>SHORT-TERM</b>	<b>1,887,924,989</b>	-
Loan receivables from other parties	1,887,924,989	-
<b>LONG-TERM</b>	<b>675,000,000</b>	<b>17,110,809,256</b>
Loan receivables from another party	675,000,000	17,110,809,256
<b>TOTAL</b>	<b>2,562,924,989</b>	<b>17,110,809,256</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of these unsecured loan receivables are as follows:

BORROWER	ENDING BALANCE	MATURITY DATE	INTEREST RATE
	VND		%/p.a.
<b>SHORT-TERM LOAN RECEIVABLES FROM OTHER PARTIES</b>	<b>1,887,924,989</b>		
Le Ha Investment Company Limited	1,379,152,441	31 December 2023	12,96
Binh Son Livestock Company Limited	500,000,000	20 March 2023	0,00
Phu Thinh Livestock Company Limited	8,772,548	31 March 2023	10,80
<b>LONG-TERM LOAN RECEIVABLE FROM ANOTHER PARTY</b>	<b>675,000,000</b>		
Cong Minh Hoa Hoi Livestock Company Limited	675,000,000	26 March 2025	8,50

Movement for provision for doubtful other short-term receivables:

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>BEGINNING BALANCE</b>	-	-
Add: Provision made during the year	4,303,303,908	-
<b>ENDING BALANCE</b>	<b>4,303,303,908</b>	-

## 10. OTHER RECEIVABLES

	ENDING BALANCE	BEGINNING BALANCE AS RESTATED (N39)
		VND
<b>SHORT-TERM</b>	<b>48,705,582,700</b>	<b>52,522,668,358</b>
Receivables from investment in a joint venture	19,640,362,522	19,640,362,522
Receivables from swine purchase contract with Genesus, Inc	13,851,129,199	5,601,293,725
Advance to employees	2,682,603,506	1,664,317,052
Interest income	2,861,002,740	1,199,945,205
Advance for financing projects	-	19,255,131,513
Others	9,670,484,733	5,161,618,341
<b>In which:</b>		
Related parties (Note 36)	19,640,362,522	19,640,362,522
Other parties	29,065,220,178	32,882,305,836
<b>LONG-TERM</b>	<b>81,027,014,200</b>	<b>81,910,000,000</b>
Deposit for rental farms and office	57,897,014,200	65,490,000,000
Deposit for farm construction	23,130,000,000	16,420,000,000
<b>TOTAL</b>	<b>129,732,596,900</b>	<b>134,432,668,358</b>
Provision for doubtful other short-term receivables (Note 11)	(4,303,303,908)	-
<b>NET</b>	<b>125,429,292,992</b>	<b>134,432,668,358</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 11. BAD DEBTS

	ENDING BALANCE		BEGINNING BALANCE	
			VND	
	AMOUNT	PROVISION	AMOUNT	PROVISION
AG World International Corporation	2,408,429,160	2,408,429,160	2,408,429,160	-
Others	2,619,141,722	1,894,874,748	1,672,385,418	-
<b>TOTAL</b>	<b>5,027,570,882</b>	<b>4,303,303,908</b>	<b>4,080,814,578</b>	<b>-</b>

## 12. INVENTORIES

	ENDING BALANCE	BEGINNING BALANCE
		VND
Work-in-process	803,559,549,462	613,989,745,563
Raw materials	58,573,416,519	35,261,660,780
Tools and supplies	8,957,657,524	5,330,135,784
Finished goods	8,330,948,253	9,042,895,226
Goods in transit	1,805,523,929	480,336,476
Merchandise goods	594,118,469	423,613,384,286
<b>TOTAL</b>	<b>881,821,214,156</b>	<b>1,087,718,158,115</b>

## 13. TANGIBLE FIXED ASSETS

	BUILDINGS & STRUCTURES	MACHINERY & EQUIPMENT	MEANS OF TRANSPORTATION	OFFICE EQUIPMENT	LIVESTOCK	TOTAL
<b>COST</b>						VND
<b>BEGINNING BALANCE (1)</b>	<b>264,219,852,022</b>	<b>100,882,938,139</b>	<b>21,072,443,634</b>	<b>1,830,626,747</b>	<b>31,325,452,069</b>	<b>419,331,312,611</b>
Reclassify	19,671,682,742	(20,068,868,642)	-	397,185,900	-	-
Transferred from construction	346,361,937,241	92,279,216,422	28,536,519,142	2,306,824,510	3,693,361,811	473,177,859,126
Increase from acquisition of	136,360,118,825	2,198,021,000	-	-	-	138,558,139,825
New purchases	18,496,254,837	16,477,483,152	1,649,429,950	2,678,367,351	-	39,301,535,290
Disposals	-	-	-	-	(22,052,201,003)	(22,052,201,003)
<b>ENDING BALANCE</b>	<b>785,109,845,667</b>	<b>191,768,790,071</b>	<b>51,258,392,726</b>	<b>7,213,004,508</b>	<b>12,966,612,877</b>	<b>1,048,316,645,849</b>
In which: Fully depreciated	47,202,156,864	23,644,701,320	5,909,964,009	684,362,447	10,770,725,066	88,211,909,706
<b>ACCUMULATED DEPRECIATION</b>						
<b>BEGINNING BALANCE (1)</b>	<b>(47,202,156,864)</b>	<b>(20,711,274,253)</b>	<b>(5,909,964,009)</b>	<b>(684,362,447)</b>	<b>(10,770,725,066)</b>	<b>(85,278,482,639)</b>
Reclassify	(7,784,025,666)	8,158,793,548	(150,285,411)	(224,482,511)	40	-
Depreciation for the year	(37,975,162,172)	(11,395,902,016)	(4,062,498,242)	(792,866,019)	(1,995,396,803)	(56,221,825,252)
Increase from acquisition of	(24,955,789,655)	(149,343,906)	-	-	-	(25,105,133,561)
Disposals	-	-	-	-	7,272,980,990	7,272,980,990
<b>ENDING BALANCE</b>	<b>(117,917,134,357)</b>	<b>(24,097,726,627)</b>	<b>(10,122,747,662)</b>	<b>(1,701,710,977)</b>	<b>(5,493,140,839)</b>	<b>(159,332,460,462)</b>
<b>NET CARRYING AMOUNT</b>						
<b>BEGINNING BALANCE</b>	<b>217,017,695,158</b>	<b>80,171,663,886</b>	<b>15,162,479,625</b>	<b>1,146,264,300</b>	<b>20,554,727,003</b>	<b>334,052,829,972</b>
<b>ENDING BALANCE</b>	<b>667,192,711,310</b>	<b>167,671,063,444</b>	<b>41,135,645,064</b>	<b>5,511,293,531</b>	<b>7,473,472,038</b>	<b>888,984,185,387</b>
In which: Mortgaged as loan	522,116,742,319	92,317,976,450	36,528,229,524	2,509,219,812	-	653,472,168,105

(1) As restated - Note 39; (2) Note 4, 1; (3) Note 25.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. TÀI SẢN CỐ ĐỊNH VÔ HÌNH

	LAND USE RIGHTS	SOFTWARES	TOTAL
			VND
<b>COST</b>			
BEGINNING BALANCE (1)	201,517,995,376	9,119,876,000	210,637,871,376
New purchases	-	1,946,300,000	1,946,300,000
ENDING BALANCE	201,517,995,376	11,066,176,000	212,584,171,376
<b>ACCUMULATED DEPRECIATION</b>			
BEGINNING BALANCE (1)	(1,047,006,567)	(2,474,351,460)	(3,521,358,027)
Amortisation for the year	(465,336,252)	(1,480,967,921)	(1,946,304,173)
ENDING BALANCE	(1,512,342,819)	(3,955,319,381)	(5,467,662,200)
<b>NET CARRYING AMOUNT</b>			
BEGINNING BALANCE	200,470,988,809	6,645,524,540	207,116,513,349
ENDING BALANCE	200,005,652,557	7,110,856,619	207,116,509,176
In which: Mortgaged as loan security	180,462,000,000	-	180,462,000,000

(1) As restated - Note 39.

(2) Note 25.

## 15. INVESTMENT PROPERTIES

	OFFICE FLOORS	APARTMENTS	TOTAL
			VND
<b>COST</b>			
BEGINNING & ENDING BALANCE	14,110,230,000	1,065,760,712	15,175,990,712
<b>ACCUMULATED DEPRECIATION</b>			
BEGINNING BALANCE	(263,074,030)	-	(263,074,030)
Depreciation for the year	(263,074,032)	-	(263,074,032)
ENDING BALANCE	(526,148,062)	-	(526,148,062)
<b>NET CARRYING AMOUNT</b>			
BEGINNING BALANCE	13,847,155,970	1,065,760,712	14,912,916,682
ENDING BALANCE	13,584,081,938	1,065,760,712	14,649,842,650

The fair value of the investment properties was not formally assessed and determined as at 31 December 2022. However, based on the current occupancy rate and the market value of these properties, management believed that these properties' fair values were higher than their carrying values at the balance sheet date.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 16. CONSTRUCTION IN PROGRESS

	ENDING BALANCE	BEGINNING BALANCE
		VND
Dong An Khanh farm system	107,811,593,253	108,208,500
Nam An Khanh farm system	83,062,914,175	202,852,500
Anh Vu farm system	42,280,416,482	142,313,169,251
Bac An Khanh farm system	33,910,917,435	427,776,650
Green Farm 2 farm system	33,901,950,758	-
Green Farm 1 farm system	18,702,417,777	80,053,044,670
Others	33,686,055,622	25,096,916,220
<b>TOTAL</b>	<b>353,356,265,502</b>	<b>248,201,967,791</b>

The Group had used Farm Investment projects of Bao Ngoc, Minh Thanh, Green Farm 1, Anh Vu Phu Yen, Dong An Khanh and Nam An Khanh as collaterals for its bank loans (Note 25).

## 17. CAPITALISED BORROWING COSTS

During the year, the Group capitalised borrowing costs with a value of VND 12,337,753,953 (2021: VND 2,101,774,680). These borrowing costs relate to general loans and direct loans for the purpose of investing in the Group's on-going Farm Investment projects.

## 18. LONG-TERM INVESTMENTS

	ENDING BALANCE	BEGINNING BALANCE
		VND
Investments in associates (Note 18.1)	-	43,634,276,474
Investments in another entity (Note 18.2)	29,505,972,462	-
<b>TOTAL</b>	<b>29,505,972,462</b>	<b>43,634,276,474</b>

## 18.1 INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

		ENDING BALANCE		BEGINNING BALANCE AS RESTATED (N39)	
NAME OF ASSOCIATE AND JOINT VENTURE	BUSINESS	% OF INTEREST	COST OF INVESTMENT VND	% OF INTEREST	COST OF INVESTMENT VND
Myanmar BaF Livestock Company Limited (i)	Animal husbandry	-	-	21.47%	14,983,824,894
Siba Food Vietnam Joint Stock Company (ii)	Trading	-	-	43.24%	28,650,451,580
TOTAL		-	-	-	43,634,276,474

(i) BaF Myanmar is a limited liability company established pursuant to the International Business Registration Certificate No. 201800466 issued by Myanmar Investment Commission of Yagoon Province dated 10 May 2018. The registered head office of BaF Myanmar is located at 148W, A1 Street, Ward 5, Mayangone Building, Yangone, Myanmar. Its licensed activity is to carry out animal husbandry.

On 23 July 2022, the Group completed the disposal of its entire shares in BaF Myanmar to a related party in accordance with the BOD Resolution No. 10.05/NQ-BaF dated 10 May 2022 at a total consideration of VND 14,983,824,894.

(ii) Siba Food Vietnam is a joint stock company established in Vietnam pursuant to the ERC No. 0316625505 issued by DPI of Ho Chi Minh City dated 5 December 2022. The registered head office of this entity is located at No. 2, 8A Street, Ward 5, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam. The licensed activity of this entity is to carry out retail activity.

During the year, Siba Food Vietnam increased its share capital from VND 68,000,000,000 to VND 288,100,000,000. The Group did not contribute capital to increase its respective investment in Siba Food Vietnam which caused a dilution in its ownership interest from 43.24% to 10.2% following the Certificate of Capital Contribution No. 3112/2022/GCN-SBF dated 31 December 2022. Thereby, Siba Food becomes the Group's investment in another entity from this date (Note 18.2).





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Details of the investments in associate and joint venture are as follows:

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>COST OF INVESTMENT</b>		
<b>BEGINNING BALANCE</b>	<b>44,383,824,894</b>	<b>44,383,824,894</b>
Disposal during the year	(14,983,824,894)	-
Dilution in ownership interest	(29,400,000,000)	-
<b>ENDING BALANCE</b>	<b>-</b>	<b>44,383,824,894</b>
<b>ACCUMULATED SHARE IN POST-ACQUISITION PROFIT (LOSS) OF THE ASSOCIATE</b>		
<b>BEGINNING BALANCE</b>	<b>(749,548,420)</b>	<b>-</b>
Shares of profit (loss) in associate	831,315,671	(749,548,420)
Dilution in ownership interest	(81,767,251)	-
<b>ENDING BALANCE</b>	<b>-</b>	<b>(749,548,420)</b>
<b>CARRYING AMOUNT</b>		
<b>BEGINNING BALANCE</b>	<b>43,634,276,474</b>	<b>44,383,824,894</b>
<b>ENDING BALANCE</b>	<b>-</b>	<b>43,634,276,474</b>

## 18.2 INVESTMENTS IN ANOTHER ENTITY

		ENDING BALANCE		BEGINNING BALANCE
	% OF INTEREST	COST OF INVESTMENT VND	% OF INTEREST	COST OF INVESTMENT VND
Siba Food Vietnam	10,20%	29,505,972,462	-	-

## 19. PREPAID EXPENSES

	ENDING BALANCE	BEGINNING BALANCE
		VND
<b>SHORT-TERM</b>	<b>23,225,601,617</b>	<b>7,639,774,596</b>
Breeding royalties	12,594,105,000	2,426,521,800
Tools and supplies in use	5,452,452,939	4,182,332,423
Others	5,179,043,678	1,030,920,373
<b>LONG-TERM</b>	<b>483,390,784,371</b>	<b>175,676,820,790</b>
Land rental (*)	278,513,315,502	95,144,832,918
Livestock	188,844,195,255	70,704,248,614
Tools and supplies in use	10,395,785,119	6,695,195,605
Others	5,637,488,495	3,132,543,653
<b>TOTAL</b>	<b>506,616,385,988</b>	<b>183,316,595,386</b>

(\*) The Group has used the prepaid land rental to secure its bank loans (Note 25).





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20. GOODWILL

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>COST</b>		
<b>BEGINNING BALANCE</b>	<b>4,788,983,648</b>	<b>3,959,851,583</b>
Increase due to acquire subsidiaries	-	829,132,065
Reclassification due to asset acquisition	(999,523,148)	-
<b>ENDING BALANCE</b>	<b>3,789,460,500</b>	<b>4,788,983,648</b>
<b>ACCUMULATED AMORTISATION</b>		
<b>BEGINNING BALANCE</b>	<b>(528,282,284)</b>	<b>(132,436,307)</b>
Amortisation during the year	(378,946,050)	(395,845,977)
Reclassification due to asset acquisition	33,620,190	-
<b>ENDING BALANCE</b>	<b>(873,608,144)</b>	<b>(528,282,284)</b>
<b>NET CARRYING AMOUNT</b>		
<b>BEGINNING BALANCE</b>	<b>4,260,701,364</b>	<b>3,827,415,276</b>
<b>ENDING BALANCE</b>	<b>2,915,852,356</b>	<b>4,260,701,364</b>

## 21. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 21.1 SHORT-TERM TRADE PAYABLES

	ENDING BALANCE	BEGINNING BALANCE
		VND
Due to other parties	1,864,507,429,097	3,768,232,348,926
+ An Dien Agriculture Joint Stock Company	321,132,694,900	7,016,077,453
+ Tien Phat Agriculture Product Trading Joint Stock Company	294,549,561,000	-
+ Bissau Organic Cashew Joint Stock Company	229,596,509,100	-
+ Vi Dan Rice Joint Stock Company	183,078,952,800	-
+ MOGB International Agriculture Product Joint Stock Company	164,637,498,100	617,171,520,673
+ Vietnam Cavi Agricultural Joint Stock Company	151,175,190,000	-
+ Tzan International Agriculture Product Joint Stock Company	79,893,844,100	438,557,808,100
+ Thinh Phat Commercial Business Joint Stock Company	-	803,555,401,736
+ CBOT Viet Nam Joint Stock Company	248,497,430	608,016,363,680
+ Thai Nguyen Agro-Forestry Products Import Export Company Limited	-	296,962,674,460
+ Other parties	440,194,681,667	996,952,502,824
Due to a related party (Note 36)	36,413,178,869	6,097,499,239





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21.2 SHORT-TERM ADVANCES FROM CUSTOMERS

	ENDING BALANCE	BEGINNING BALANCE
		VND
Advances from other parties	8,632,156,786	1,446,549,834
+ Lac Ve Breeding Pig Company Limited	2,594,921,000	-
+ Ms Le Thi Cuc	1,400,619,547	-
+ Other parties	4,636,616,239	1,446,549,834
Advances from a related party (Note 36)	507,300	-
<b>TOTAL</b>	<b>8,632,664,086</b>	<b>1,446,549,834</b>

## 22. SHORT-TERM ACCRUED EXPENSES

	ENDING BALANCE	BEGINNING BALANCE
		VND
Royalty fees	12,594,105,000	2,548,750,000
Interest expense	8,460,973,106	-
Utilities	2,215,507,884	-
Transportation fees	1,808,389,057	-
Others	5,554,211,598	-
<b>TOTAL</b>	<b>30,633,186,645</b>	<b>2,548,750,000</b>

## 23. OTHER SHORT-TERM PAYABLES

	ENDING BALANCE	BEGINNING BALANCE
		VND
Purchase of supplies and goods pending invoices	6,471,858,788	23,369,290,733
Purchase of shares	-	7,600,000,000
Others	2,246,617,395	3,406,620,731
<b>TOTAL</b>	<b>8,718,476,183</b>	<b>34,375,911,464</b>

## 24. STATUTORY OBLIGATIONS

	BEGINNING BALANCE	INCREASE IN YEAR	ACQUISITION OF SUBSIDIARIES (1)	DECREASE IN YEAR	ENDING BALANCE
					VND
Corporate income tax	14,357,962,361	56,593,281,979	-	(17,978,509,653)	52,972,734,687
Personal income tax	87,278,795	3,010,345,736	-	(1,660,989,931)	1,436,634,600
Value-added tax	77,346,094	1,329,354,927	34,258,115	(1,097,390,334)	343,568,802
<b>TOTAL</b>	<b>14,522,587,250</b>	<b>60,932,982,642</b>	<b>34,258,115</b>	<b>(20,736,889,918)</b>	<b>54,752,938,089</b>

(1) Note 4,1.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET | INCOME STATEMENT | CASH FLOW STATEMENT

## 25. LOANS

	BEGINNING BALANCE	ACQUISITION OF SUBSIDIARIES (NOTE 4.1)	DRAWDOWN IN YEAR	RECLASSIFICATION	REPAYMENT IN YEAR / ALLOCATIONS OF ISSUANCE COSTS	ENDING BALANCE
<b>SHORT-TERM</b>	<b>14,552,862,617</b>	<b>-</b>	<b>306,867,557,597</b>	<b>61,121,953,034</b>	<b>(118,141,776,214)</b>	<b>264,400,597,034</b>
Loans from banks (Note 25.1)	-	-	304,789,388,150	-	(101,510,744,150)	203,278,644,000
Current portion of long-term loans	14,552,862,617	-	2,078,169,447	61,121,953,034	(16,631,032,064)	61,121,953,034
<b>LONG-TERM</b>	<b>148,527,179,781</b>	<b>46,336,000,000</b>	<b>563,917,727,533</b>	<b>(61,121,953,034)</b>	<b>(4,753,586,703)</b>	<b>692,905,367,577</b>
Loans from banks (Note 25.2)	148,527,179,781	46,336,000,000	275,917,727,533	(61,121,953,034)	(6,250,900,000)	403,408,054,280
Bonds (Note 25.3)	-	-	300,000,000,000	-	-	300,000,000,000
Bond issuance cost (Note 25.3)	-	-	(12,000,000,000)	-	1,497,313,297	(10,502,686,703)
<b>TOTAL</b>	<b>163,080,042,398</b>	<b>46,336,000,000</b>	<b>870,785,285,130</b>	<b>-</b>	<b>(122,895,362,917)</b>	<b>957,305,964,611</b>

### 25.1 SHORT-TERM LOANS FROM BANKS

The Group obtained short-term loans from banks to finance its working capital requirements. Details are as follows:

NAME OF BANKS	ENDING BALANCE	MATURITY DATE	INTEREST RATE	DESCRIPTION OF COLLATERALS
VND		% /p.a.		
BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM – BAC HA BRANCH				
Loan 1	100,324,928,000	4 January 2023	7.00	Term deposits (Note 6)
Loan 2	98,015,716,000	24 April 2023	9.00	
HO CHI MINH DEVELOPMENT JOINT STOCK COMMERCIAL BANK – TIEN GIANG BRANCH				
Loan 1	1,038,000,000	7 June 2023	9.10	Means of transportation (Note 13)
Loan 2	1,000,000,000	7 June 2023	9.10	
Loan 3	1,000,000,000	7 June 2023	9.10	
Loan 4	1,000,000,000	7 June 2023	9.10	
Loan 5	900,000,000	7 June 2023	9.10	
TOTAL	203,278,644,000			





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 25.2 LONG-TERM LOANS FROM BANKS

The Group obtained long-term bank loans to finance the construction of farm projects and the purchase of means of transportation. Details are as follows:

NAME OF BANKS	ENDING BALANCE	MATURITY DATE	INTEREST RATE	DESCRIPTION OF COLLATERALS
	VND		% p.a.	(Notes 13 and 14)
Tien Phong Joint Stock Commercial Bank - Ho Chi Minh Branch	272,770,366,382	From 13 October 2028 to 30 March 2029	9.45 - 13.65	The land use rights and assets attached, machinery, equipment, and means of transportation of Green Farm 1 located at Hoa Hiep Commune, Tan Bien District, Tay Ninh Province. The land use rights and assets attached, machinery, equipment, and means of transportation of Anh Vu Phu Yen located at Ea Trol Commune, Song Binh District, Phu Yen Province; and The Group's land use rights located at Mai Chi Tho, KP3, An Phu Ward, District 2, Ho Chi Minh City.
Military Joint Stock Commercial Bank - Vung Tau Branch	81,375,888,973	20 July 2030	8.70 - 13.37	Land use rights and assets attached, machinery and equipment of Dong An Khanh located at Suoi Day Commune, Tan Chau District, Tay Ninh Province; and Land use rights and assets attached, machinery and equipment of Nam An Khanh located at Hoi Thanh Hamlet, Tan Hoi Commune, Tan Chau District, Tay Ninh Province.
Vietnam Bank for Agriculture and Rural Development - Dong Nai Branch	41,088,000,000	13 September 2028	9.80	The rights to use land and assets attached, machinery and equipment of Kim Hoi located at Thuan Phu Commune, Dong Phu District, Binh Phuoc Province.
Ho Chi Minh Development Joint Stock Commercial Bank – Tien Giang Branch	40,488,320,959	From 5 August 2027 to 11 October 2029	9.70 - 12.00	Land use rights and assets attached, machinery and equipment of Bao Ngoc located at Ea Huar Commune, Buon Don District, Dak Lak Province; and the Group's means of transportation.

NAME OF BANKS	ENDING BALANCE	MATURITY DATE	INTEREST RATE	DESCRIPTION OF COLLATERALS
	VND		% p.a.	(Notes 13 and 14)
Asia Joint Stock Commercial Bank	28,807,431,000	From 8 June 2025 to 14 June 2028	9.50 - 12.00	Land use rights and assets attached, machinery and equipment of Minh Thanh located at Thanh Tay Commune, Tan Bien District, Tay Ninh Province; and Land use rights and assets attached, machinery and equipment of Minh Thanh located at Hoa Hiep Commune, Tan Bien District, Tay Ninh Province.
<b>TOTAL</b>	<b>464,530,007,314</b>			
Current portion	61,121,953,034			
Non-current portion	403,408,054,280			

## 25.3 BOND ISSUED

The Group issued bonds on 23 August 2022 with the following details:

ARRANGER	ENDING BALANCE	REPAYMENT TERM	PURPOSE	INTEREST RATE	DESCRIPTION OF COLLATERALS
	VND			% p.a.	
<b>AN BINH SECURITIES JOINT STOCK COMPANY</b>					
Par value	300,000,000,000	23 August 2025	To finance working capital requirement	10.50	Unsecured
Issuance costs	(10,502,686,703)				
<b>TOTAL</b>	<b>289,497,313,297</b>				





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. OWNERS' EQUITY

### 26.1 INCREASE AND DECREASE IN OWNERS' EQUITY

	SHARE CAPITAL	SHARE PREMIUM	UNDISTRIBUTED EARNINGS	TOTAL
PREVIOUS YEAR				VND
<b>BEGINNING BALANCE</b>	<b>500,000,000,000</b>	<b>-</b>	<b>65,588,418,869</b>	<b>565,588,418,869</b>
Increase in capital	280,000,000,000	279,844,500,000	-	559,844,500,000
Adjustment in non-controlling interests due to change in ownership interest	-	-	14,441,319	14,441,319
Net profit for the year	-	-	321,720,447,789	321,720,447,789
<b>ENDING BALANCE</b>	<b>780,000,000,000</b>	<b>279,844,500,000</b>	<b>387,323,307,977</b>	<b>1,447,167,807,977</b>
CURRENT YEAR				
<b>BEGINNING BALANCE</b>	<b>780,000,000,000</b>	<b>279,844,500,000</b>	<b>387,323,307,977</b>	<b>1,447,167,807,977</b>
Issuance of bonus shares (*)	304,200,000,000	(279,844,500,000)	(24,355,500,000)	-
Issuance of stock dividends (**)	351,000,000,000	-	(351,000,000,000)	-
Net profit for the year	-	-	286,687,393,478	286,687,393,478
<b>ENDING BALANCE</b>	<b>1,435,200,000,000</b>	<b>-</b>	<b>298,655,201,455</b>	<b>1,733,855,201,455</b>

(\*) In accordance with the Resolution of Annual Shareholders Meeting No. 15.03.2022/NQ-DHDCD dated 15 March 2022 approving the plan of bonus shares issuing to the Company's existing shareholders at the ratio of 1:0.39 from share premium and undistributed earnings, the Company completed the issuance of 30,420,000 shares on 24 May 2022.

(\*\*) In accordance with the Resolution of Annual Shareholders Meeting No. 15.03.2022/NQ-DHDCD dated 15 March 2022 approving the plan of stock dividends issuing to the Company's existing shareholders at the ratio of 1:0.45 from undistributed earnings, the Company completed the issuance of 35,100,000 shares on 24 May 2022.

On 16 June 2022, the Company received the 16th amended ERC issued by DPI of Ho Chi Minh City approving the Company's updated share capital of VND 1,435,200,000,000.

### 26.2 SHARE CAPITAL

	ENDING BALANCE			BEGINNING BALANCE		
	VND	Shares	%	VND	Shares	%
Siba Holdings Corporation	563,539,500,000	56,353,950	39.266	-	-	-
Ms Bui Huong Giang	48,463,500,000	4,846,350	3.377	103,375,000,000	10,337,500	13.253
Mr Phan Ngoc An	14,000,000	1,400	0.001	49,550,000,000	4,955,000	6.353
Other shareholders	823,183,000,000	82,318,300	57.356	627,075,000,000	62,707,500	80.394
<b>TOTAL</b>	<b>1,435,200,000,000</b>	<b>143,520,000</b>	<b>100.00</b>	<b>780,000,000,000</b>	<b>78,000,000</b>	<b>100.00</b>

### 26.3 CAPITAL TRANSACTIONS WITH OWNERS AND DISTRIBUTION OF DIVIDENDS

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>CONTRIBUTED SHARE CAPITAL</b>		
<b>BEGINNING BALANCE</b>	<b>780,000,000,000</b>	<b>500,000,000,000</b>
Increase	655,200,000,000	280,000,000,000
<b>ENDING BALANCE</b>	<b>1,435,200,000,000</b>	<b>780,000,000,000</b>
<b>DIVIDENDS</b>		
Stock dividends declared	351,000,000,000	-
Stock dividends paid	351,000,000,000	-

### 26.4 DIVIDENDS

	CURRENT YEAR	PREVIOUS YEAR
<b>DIVIDENDS DECLARED AND PAID</b>		VND
2021 stock dividends: 0.45 new shares per 1 existing share	351,000,000,000	-





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26.5 SHARES

NUMBER OF SHARES	ENDING BALANCE	BEGINNING BALANCE
Shares authorised to be issued	143,520,000	78,000,000
Shares issued and fully paid	143,520,000	78,000,000
+ Ordinary shares	143,520,000	78,000,000
Shares in circulation	143,520,000	78,000,000
+ Ordinary shares	143,520,000	78,000,000

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

## 27. NON-CONTROLLING INTERESTS

	ENDING BALANCE	BEGINNING BALANCE
		VND
Contributed charter capital	7,762,650,000	7,620,000,000
Undistributed earnings	1,050,208,459	30,663,489
<b>TOTAL</b>	<b>8,812,858,459</b>	<b>7,650,663,489</b>

Movements of non-controlling interests are as follows:

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>BEGINNING BALANCE</b>	<b>7,650,663,489</b>	-
Increase from acquisition of subsidiaries	70,850,000	7,620,000,000
Net profit for the year	1,091,344,970	70,554,264
Transferred non-controlling interest to the Group	-	(39,890,775)
<b>ENDING BALANCE</b>	<b>8,812,858,459</b>	<b>7,650,663,489</b>

## 28. REVENUE

### 28.1 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	CURRENT YEAR	PREVIOUS YEAR
<b>GROSS REVENUE</b>	<b>7,085,368,377,828</b>	<b>10,434,950,532,701</b>
<b>Of which:</b>		
Sales of agricultural products	5,708,396,788,334	9,671,244,121,388
Sale of animal husbandry products	1,372,699,902,228	762,840,047,676
Sale of bran	3,109,869,086	-
Rental services	1,161,818,180	866,363,637
<b>LESS</b>		
Sales return	(1,950,028,570)	(595,796,386)
<b>NET REVENUE</b>	<b>7,083,418,349,258</b>	<b>10,434,354,736,315</b>
<b>In which:</b>		
Sales to others	6,659,763,109,486	9,727,461,478,012
Sales to related parties (Notes 36)	423,655,239,772	706,893,258,303

### 28.2 FINANCE INCOME

	CURRENT YEAR	PREVIOUS YEAR
		VND
Interest income	4,862,686,814	2,788,889,486
Gains from selling held-for-trading securities	2,040,483,025	-
Foreign exchange gains	668,971,866	9,519,384
Gains from decrease in associate's ownership interest	24,205,211	-
Dividend received	-	2,600,000,000
Others	740,797,867	-
<b>TOTAL</b>	<b>8,337,144,783</b>	<b>5,398,408,870</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 29. FINANCE EXPENSES

	CURRENT YEAR	PREVIOUS YEAR
		VND
Interest expense	36,331,151,929	8,252,007,658
Allocation of bond issuance	1,497,313,297	-
Realised foreign exchange loss	1,298,865,260	12,165,813
Interest for lately payment	-	15,919,735,803
(Reversal of provisions) provision for held-for-trading securities	(7,914,833,333)	7,914,833,333
<b>TOTAL</b>	<b>31,212,497,153</b>	<b>32,098,742,607</b>

## 30. COST OF GOODS SOLD AND SERVICES RENDERED

	CURRENT YEAR	PREVIOUS YEAR
		VND
Cost of agricultural products sold	5,554,055,245,834	9,457,917,870,672
Cost animal husbandry products	996,385,857,403	488,613,305,949
Cost of bran	7,305,959,002	-
Cost of rental service	263,074,032	263,074,030
<b>TOTAL</b>	<b>6,558,010,136,271</b>	<b>9,946,794,250,651</b>

## 31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>SELLING EXPENSES</b>	<b>72,229,870,717</b>	<b>15,742,973,158</b>
Transportation expenses	42,009,110,113	8,764,980,740
Labour costs	17,951,370,795	4,707,146,411
Depreciation and amortisation	2,949,829,805	1,174,320,678
Expenses for external services	2,889,439,786	356,683,332
Raw material	402,304,603	-
Others	6,027,815,615	739,841,997
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>87,624,647,284</b>	<b>54,255,438,010</b>
Labour costs	50,048,697,738	33,932,186,639
Expenses for external services	9,503,370,516	4,388,943,610
Depreciation and amortisation	2,409,158,701	1,476,504,874
Goodwill allocation	378,946,050	395,845,977
Expenses of office requisites	-	58,103,094
Others	25,284,474,279	14,003,853,816
<b>TOTAL</b>	<b>159,854,518,001</b>	<b>69,998,411,168</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 32. OTHER INCOME AND EXPENSES

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>OTHER INCOME</b>	<b>1,007,084,613</b>	<b>966,216,881</b>
Penalty received	400,000,000	39,054,041
Disposal breeding pigs	-	857,088,840
Others	607,084,613	70,074,000
<b>OTHER EXPENSES</b>	<b>(5,638,958,195)</b>	<b>(605,538,533)</b>
Unused asset's expenses	(3,218,396,696)	-
Others	(2,420,561,499)	(605,538,533)
<b>OTHER (LOSS) PROFIT</b>	<b>(4,631,873,582)</b>	<b>360,678,348</b>

## 33. PRODUCTION AND OPERATING COSTS

	CURRENT YEAR	PREVIOUS YEAR
		VND
Merchandises	5,554,457,550,437	9,455,555,406,731
Raw materials	766,933,273,218	169,676,530,032
Labour costs	169,555,272,855	148,321,482,544
Expenses for external services	94,285,146,583	93,191,389,326
Depreciation, amortisation and goodwill allocation	58,810,149,507	32,470,795,540
Others	73,823,261,672	117,577,057,646
<b>TOTAL</b>	<b>6,717,864,654,272</b>	<b>10,016,792,661,819</b>

(1) Note 13, 14, 15, 20.

## 34. CORPORATE INCOME TAX

The Company and its subsidiaries have the obligations to pay corporate income tax ("CIT") at different rates as follows:

### THE COMPANY

For income from carry out the mixed farming activities and produce animal feed, the Company shall enjoy 15% incentive rate for the whole operation period. For income from other activities not subject to incentives, the Company shall apply the standard rate of 20% on taxable profit.

### MINH THANH LIVESTOCK, BAC AN KHANH, DONG AN KHANH, NAM AN KHANH, GREEN FARM 1, GREEN FARM 2, SONG HINH, ANH VU PHU YEN, HAI DANG TAY NINH, TAM HUNG, TAN CHAU, KIM HOI

Subsidiaries include Minh Thanh Livestock, Bac An Khanh, Dong An Khanh, Nam An Khanh, Green Farm 1, Green Farm 2, Song Hinh, Anh Vu Phu Yen, Hai Dang Tay Ninh, Tam Hung, Tan Chau, Kim Hoi are entitled to CIT incentive scheme by locations which are obliged to pay CIT at the rate of 10% for 15 years from commencement of their operations, and applicable normal rates for the years thereafter. These companies are entitled to an exemption from CIT for four (4) years commencing with the first year of earning profits, and 50% reduction for the following nine (9) years.

### BAF BINH DINH

BaF Binh Dinh is obliged to pay CIT at the rate of 20%. Besides, BaF Binh Dinh is entitled to CIT incentive scheme by location. This company is entitled to an exemption from CIT for two (2) years commencing with the first year of earning profits, and 50% reduction for the following four (4) years.

### BAF TAY NINH

BaF Tay Ninh is entitled to CIT incentive scheme by location which is obliged to pay CIT at the rate of 17% for 10 years from commencement of its operations, and applicable normal rates for the years thereafter. This company is entitled to an exemption from CIT for two (2) years commencing from the first year of earning profits, and 50% reduction for the following four (4) years. In addition, for income from produce animal feed, BaF Tay Ninh shall enjoy 15% incentive rate.

### BAF BINH PHUOC

BaF Binh Phuoc is entitled to CIT incentive scheme by location which is obliged to pay CIT at the rate of 10% for 15 years from commencement of its operations, and applicable normal rates for the years thereafter. This company is entitled to an exemption from CIT for two (2) years commencing from the first year of earning profits, and 50% reduction for the following four (4) years.

### BAO NGOC LIVESTOCK, THIEN PHU SON

The CIT rate applicable to Bao Ngoc Livestock and Thien Phu Son is 20%.

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 34.1 CIT EXPENSE

	CURRENT YEAR	PREVIOUS YEAR
		VND
Current income tax expense	56,593,281,979	66,158,924,178
Deferred tax (income) expense	(5,494,235,722)	2,522,944,456
<b>TOTAL</b>	<b>51,099,046,257</b>	<b>68,681,868,634</b>

A reconciliation between the accounting profit before tax and taxable profit is presented below:

	CURRENT YEAR	PREVIOUS YEAR
		VND
<b>ACCOUNTING PROFIT BEFORE TAX</b>	<b>338,877,784,705</b>	<b>390,472,870,687</b>
At applicable CIT rates	51,871,723,983	66,824,632,914
<b>Adjustments to increase (decrease):</b>		
Non-deductible expenses	4,205,773,593	1,068,338,853
Adjustment of non-deductible interest expense under Decree No.	2,712,744,717	-
Unrecognized deferred tax assets on subsidiaries and independent accounting branches' tax losses carried forward	4,476,272,208	10,701,661,801
Profit (loss) sharing from associate	124,697,351	(112,432,263)
Goodwill allocation	(56,841,908)	-
Tax exemption	(12,235,323,687)	(9,800,332,671)
<b>CIT EXPENSE</b>	<b>51,099,046,257</b>	<b>68,681,868,634</b>

(\*) In accordance with Decree No. 132/2020/ND-CP dated 5 November 2020 prescribing tax administration for enterprises having related-party transactions issued by the Government, the Group increased its CIT expense by VND 2,712,744,717 for the current year.

## 34.2 CURRENT CIT

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

## 34.3 DEFERRED CIT

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

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED INCOME STATEMENT	
				VND
	ENDING BALANCE	BEGINNING BALANCE	CURRENT YEAR	PREVIOUS YEAR
<b>DEFERRED TAX ASSETS</b>	<b>4,774,928,657</b>	-	<b>4,774,928,657</b>	-
Short-term accrued expenses	3,171,458,520	-	3,171,458,520	-
Unrealised profits	1,603,470,137	-	1,603,470,137	-
<b>DEFERRED TAX LIABILITIES</b>	<b>(1,803,637,391)</b>	<b>(2,522,944,456)</b>	719,307,065	<b>(2,522,944,456)</b>
Provision for diminution in value of long-term investments	(1,803,637,391)	(2,522,944,456)	719,307,065	(2,522,944,456)
<b>NET DEFERRED TAX ASSETS (LIABILITIES)</b>	<b>2,971,291,266</b>	<b>(2,522,944,456)</b>		
<b>NET DEFERRED TAX (CHARGE) CREDIT</b>			<b>5,494,235,722</b>	<b>(2,522,944,456)</b>

## 34.4 TAX LOSSES CARRIED FORWARD

The Company and its subsidiaries are entitled to carry each individual tax loss forward to offset against taxable profits arising within five consecutive years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had accumulated tax losses totaling VND 28,875,353,398 arising from its subsidiaries and independent accounting branches (31 December 2021: VND 10,841,827,993) available for offset against future taxable profits. Details are as follows:





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ORIGINATING YEAR	CAN BE UTILISED UP TO	TAX LOSS	UTILISED UP TO 31 DECEMBER 2022	FORFEITED	UNUTILISED AS AT 31 DECEMBER 2022
2021	2026	16,394,565,219	-	-	16,394,565,219
2022	2027	12,480,788,179	-	-	12,480,788,179
<b>TOTAL</b>		<b>28,875,353,398</b>	-	-	<b>28,875,353,398</b>

Estimated tax losses as per CIT declarations of the Group's subsidiaries and independent accounting branches have not been audited by the local tax authorities as of the date of these consolidated financial statements.

The Group has not recognized deferred tax assets on the said accumulated tax loss carry forward as at the balance sheet date because future taxable profit of the Group's subsidiaries and independent accounting branches cannot be ascertained at this stage.

## 34.5 INTEREST EXPENSE EXCEEDS THE PRESCRIBED THRESHOLD

The Company and its subsidiaries are entitled to carry forward interest expense exceeding the prescribed threshold that have not been deducted when calculating CIT for the current year ("non-deductible interest expense") to the following year when determining the total deductible interest expenses of the following year. The subsequent period that the interest expense can be carried forward to will not exceed consecutive period of 5 years subsequent to the year in which the non-deductible interest expense incurred. At the balance sheet date, the Group has aggregated non-deductible interest expense available as follows:

ORIGINATING YEAR	CAN BE USED AS DEDUCTIBLE INTEREST EXPENSE UP TO	NON-DEDUCTIBLE INTEREST EXPENSE INCURRED (*)	NON-DEDUCTIBLE INTEREST EXPENSE CARRIED FORWARD TO FOLLOWING YEARS BY 31 DECEMBER 2022	FORFEITED	NON-DEDUCTIBLE INTEREST EXPENSE AVAILABLE TO BE CARRIED FORWARD AS AT 31 DECEMBER 2022
2022 (i)	2027	18,084,964,780	-	-	18,084,964,780

- (i) Estimated non-deductible interest expense as per the Group's CIT declaration has not been audited by the local tax authorities as of the date of these consolidated financial statements.

No deferred tax assets were recognised in respect of the said non-deductible interest expense above because of the uncertainty in predicting whether this non-deductible interest expense will be carried forward in the remaining time limit or not.

## 35. EARNINGS PER SHARE

The Group uses the following information to calculate basic and diluted earnings per share:

	CURRENT YEAR	PREVIOUS YEAR (AS RESTATED)
Net profit attributable to ordinary shareholders (VND)	286,687,393,478	321,720,447,789
Weighted average number of ordinary shares (excluding treasury shares) (share) (i)	110,610,562	110,610,562
Weighted average number of ordinary shares (excluding treasury shares) (share) (*)	110,610,562	110,610,562
<b>BASIC EARNINGS PER SHARE (VND/SHARE)</b>	<b>2,592</b>	<b>2,909</b>
<b>DILUTED EARNINGS PER SHARE (VND/SHARE)</b>	<b>2,592</b>	<b>2,909</b>

- (\*) The weighted average number of shares in circulation for the year ended 31 December 2021 were adjusted to reflect the stock dividends declared and issued as represented at Note 26.1.

## 36. TRANSACTIONS WITH RELATED PARTIES

List of related parties that have a controlling relationship with the Group as at 31 December 2022 is as follows:

RELATED PARTY	RELATIONSHIP
Siba Holdings Corporation	Major shareholder
Tan Long Group Joint Stock Company ("Tan Long")	The Company has the same Chairman (from 15 March 2022)
BaF Myanmar	Related party (joint venture company until 23 July 2022)
Siba High-Tech Mechanical Group Join Stock Company ("Siba High-Tech")	Subsidiary of major shareholder
Siba Food Vietnam	Other invetsment
Viet Agro Pte., Ltd	Related party





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant transactions with related parties during the year were as follows:

RELATED PARTY	TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
			VND
Siba Food Vietnam	Sale of goods	377,294,624,486	19,461,190,204
	Purchase of goods	2,106,818,533	8,285,752,680
	Loan	-	50,700,000,000
	Loan payment	-	50,700,000,000
Siba High-Tech	Purchase of goods	197,041,538,281	-
Tan Long	Purchase of goods	80,244,833,350	-
	Sale of goods	46,360,615,286	687,432,068,099
Viet Agro Pte. Ltd	Transfer capital	14,983,824,894	-

## CONDITIONS AND TERMS OF TRANSACTIONS WITH RELATED PARTIES

Selling and purchasing, loans and lendings transactions with related parties are conducted according to listed and normal market price.

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

RELATED PARTY	TRANSACTION	ENDING BALANCE	BEGINNING BALANCE
			VND
<b>SHORT-TERM TRADE RECEIVABLES</b>		<b>58,713,403,885</b>	<b>229,814,314,938</b>
Siba Food Vietnam	Sale of goods	58,713,403,885	11,175,437,524
Tan Long	Sale of goods	-	218,638,877,414
<b>SHORT-TERM ADVANCES TO SUPPLIERS</b>			
Siba High-Tech	Advance for purchase goods	72,684,502,270	26,952,826,296
<b>OTHER SHORT-TERM RECEIVABLES</b>			
BaF Myanmar	Receivables from investment	19,640,362,522	19,640,362,522

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

RELATED PARTY	TRANSACTION	ENDING BALANCE	BEGINNING
			VND
<b>SHORT-TERM TRADE PAYABLES</b>		<b>36,413,178,869</b>	<b>6,097,499,239</b>
Tan Long	Purchase of goods	22,057,351,759	791,428,109
Siba High-Tech	Purchase of goods	13,334,356,825	5,306,071,130
Siba Food Vietnam	Purchase of goods	1,021,470,285	-
<b>SHORT-TERM ADVANCES FROM CUSTOMER</b>			
Tan Long	Others	507,300	-

## TRANSACTIONS WITH OTHER RELATED PARTIES

Remuneration to members of the Board of Directors ("BOD"), Board of Supervision ("BOS") and Management:

		CURRENT YEAR	PREVIOUS YEAR
			VND
Mr Truong Sy Ba	Chairman	85,500,000	-
Ms Bui Huong Giang	BOD Member cum General Director	673,525,535	519,500,000
Mr Phan Ngoc An	BOD Member cum Deputy General	690,010,101	518,236,000
Mr Bui Quang Huy	BOD Member	64,800,000	-
Mr Le Xuan Tho	BOD Member	64,800,000	-
Mr Nguyen Anh Tuan	BOD Member	13,500,000	-
Mr Nguyen Tien Thanh	Standing Deputy General Director	218,439,457	-
Mr Nguyen Thanh Hai	BOS Head	375,678,874	264,700,000
Ms Duong Thi Hong Tan	BOS Member	313,820,994	232,250,000
Mr Nguyen Quoc Van	BOS Member	361,092,610	260,835,000
<b>TOTAL</b>		<b>2,861,167,571</b>	<b>1,795,521,000</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET | INCOME STATEMENT | CASH FLOW STATEMENT

## 37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group’s risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### BUSINESS SEGMENT

The following tables present revenue and profit and certain assets and liability information regarding the Group’s business segment.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	AGRICULTURAL PRODUCTS	LIVESTOCK	FEED	LEASING	ELIMINATION	CONSOLIDATION
FOR THE YEAR ENDED 31 DECEMBER 2022						
SEGMENT NET REVENUE						
Sales to external customers	5,706,446,759,764	2,047,076,038,093	308,237,919,375	5,116,363,635	(983,458,731,609)	7,083,418,349,258
Inter-segment sales	-	(674,376,135,865)	(305,128,050,289)	(3,954,545,455)	983,458,731,609	-
NET INTER-SEGMENT REVENUE	5,706,446,759,764	1,372,699,902,228	3,109,869,086	1,161,818,180	-	7,083,418,349,258
RESULTS						
Inter-segment profit	152,391,513,930	376,314,044,825	(4,196,089,916)	898,744,148	-	525,408,212,987
Current corporate income tax expense						(56,593,281,979)
Deferred tax income						5,494,235,722
NET PROFIT AFTER TAX						287,778,738,448
ASSETS AND LIABILITIES						
TOTAL ASSETS	1,314,503,051,356	4,084,787,291,894	1,352,699,116,135	14,649,842,650	(2,037,543,209,119)	4,729,096,092,916
Inter-segment asset	1,314,503,051,356	4,084,787,291,894	1,352,699,116,135	14,649,842,650	(2,318,423,657,357)	4,448,215,644,678
Unallocated assets (*)					280,880,448,238	280,880,448,238
TOTAL LIABILITIES	1,900,648,324,532	1,279,014,582,153	880,546,555,921	-	(1,073,781,429,604)	2,986,428,033,002
Inter-segment payables	1,900,648,324,532	1,279,014,582,153	880,546,555,921	-	(1,073,781,429,604)	2,986,428,033,002

	AGRICULTURAL PRODUCTS	LIVESTOCK	FEED	LEASING	ELIMINATION	CONSOLIDATION
FOR THE YEAR ENDED 31 DECEMBER 2021						
SEGMENT NET REVENUE						
Sales to external customers	9,670,648,325,002	861,524,893,593	-	4,036,994,277	(101,855,476,557)	10,434,354,736,315
Inter-segment sales	-	(98,684,845,917)	-	(3,170,630,640)	101,855,476,557	-
NET INTER-SEGMENT REVENUE	9,670,648,325,002	762,840,047,676	-	866,363,637	-	10,434,354,736,315
RESULTS						
Inter-segment profit	212,730,454,330	274,226,741,727	-	603,289,607	-	487,560,485,664
Current corporate income tax expense						(66,158,924,178)
Deferred tax income						(2,522,944,456)
NET PROFIT AFTER TAX						321,791,002,053
ASSETS AND LIABILITIES						
TOTAL ASSETS	2,764,759,937,080	3,353,898,539,969	378,378,405,854	14,912,916,682	(1,054,703,789,142)	5,457,246,010,443
Inter-segment asset	2,764,759,937,080	3,353,898,539,969	378,378,405,854	14,912,916,682	(1,396,405,980,243)	5,115,543,819,342
Unallocated assets (*)	-	-	-	-	341,702,191,101	341,702,191,101
TOTAL LIABILITIES	3,774,329,848,165	272,315,417,963	53,765,699	-	(44,271,492,850)	4,002,427,538,977
Inter-segment payables	3,774,329,848,165	272,315,417,963	53,765,699	-	(44,271,492,850)	4,002,427,538,977





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 38. COMMITMENTS

### 38.1 OPERATING LEASE COMMITMENTS

#### THE GROUP IS A LESSEE

The Group leases farms under operating lease agreements. The minimum lease commitments as at the balance sheet date under the operating lease agreements were as follows:

	ENDING BALANCE	BEGINNING BALANCE
		VND
Less than 1 year	71,753,727,655	64,247,045,455
From 1-5 years	272,742,323,018	224,945,090,909
More than 5 years	330,973,516,036	213,901,818,181
<b>TOTAL</b>	<b>675,469,566,709</b>	<b>503,093,954,545</b>

#### THE GROUP IS A LESSOR

The Group lets out its office floor under operating lease arrangements. The future minimum rental receivables as at balance sheet date under the operating lease agreements are as follows:

	ENDING BALANCE	BEGINNING BALANCE
		VND
Less than 1 year	550,000,000	564,000,000
From 1 to 5 years	165,000,000	715,000,000
<b>TOTAL</b>	<b>715,000,000</b>	<b>1,279,000,000</b>

### 38.2 CAPITAL COMMITMENTS

As at the balance sheet date, the Group had commitments principally relating to construction of factory premises and purchases of new machinery for its business expansion as follows:

	ENDING BALANCE	BEGINNING BALANCE
		VND
Hai Dang Project	426,524,230,142	-
Bac An Khanh Project	188,737,791,982	222,648,709,417
Nam An Khanh Project	122,781,111,308	209,002,848,705
Green Farm 2 Project	134,825,226,682	168,727,177,440
Tan Chau Project	134,657,086,862	-
Dong An Khanh Project	90,286,294,462	198,097,887,715
Giai Xuan Project	36,737,308,150	-
Tay Ninh Bran Plant Project	13,177,354,351	-
Tam Hung Project	7,172,480,677	-
Meat Binh Phuoc Project	3,682,800,000	-
Phu Yen 3 Project	2,457,633,080	-
Binh Dinh Bran Factory Project	2,105,194,000	-
Thien Phu Son Project	1,471,889,000	-
Phu Yen 2 Project	1,105,650,000	-
Phu Yen 1 Project	-	73,266,341,426
Green Farm 1 Project	-	138,797,582,415
<b>TOTAL</b>	<b>1,165,722,050,696</b>	<b>1,010,540,547,118</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

BALANCE SHEET | INCOME STATEMENT | CASH FLOW STATEMENT

## 39. ADJUSTMENTS OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 31 December 2021 have been adjusted to reflect the presentation of the current year's consolidated financial statements. Impacts of these adjustments are as follows:

### CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	BEGINNING BALANCE AS PREVIOUSLY STATED	IMPACT OF ADJUSTMENTS	BEGINNING BALANCE AS RESTATED
			VND
Cash and cash equivalents	265,635,247,960	(50,000,000,000)	215,635,247,960
Trade receivables	2,714,759,937,080	50,000,000,000	2,764,759,937,080
Other short-term receivables	32,882,305,836	19,640,362,522	52,522,668,358
Investments in a joint venture and associates	63,274,638,996	(19,640,362,522)	43,634,276,474
Tangible fixed assets	359,554,248,281	(25,501,418,309)	334,052,829,972
+ Cost	447,766,157,987	(28,434,845,376)	419,331,312,611
+ Accumulated depreciation	(88,211,909,706)	2,933,427,067	(85,278,482,639)
Intangible fixed assets	181,615,095,040	25,501,418,309	207,116,513,349
+ Cost	182,203,026,000	28,434,845,376	210,637,871,376
+ Accumulated amortisation	(587,930,960)	(2,933,427,067)	(3,521,358,027)

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	PREVIOUS YEAR AS PREVIOUSLY STATED	IMPACT OF ADJUSTMENTS	PREVIOUS YEAR AS RESTATED
			VND
Decrease in receivables	814,925,288,069	(50,000,000,000)	755,904,595,983
Cash and cash equivalents at beginning of year	290,885,247,960	(50,000,000,000)	240,885,247,960

## 40. EVENTS AFTER THE BALANCE SHEET DATE

On 23 February 2023, the International Finance Corporation announced its commitment to purchase the convertible bonds to be issued by the Group at the estimated amount of VND 900,000,000,000 which include VND 600,000,000,000 convertible bonds and VND 300,000,000,000 senior bonds. On 16 March 2023, the Group completed the issuance of convertible bonds at the annual interest rate of 5.25%. As at the date of these consolidated financial statements, the senior bond issuance has not been completed.

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

**NGUYEN HUYNH THANH MAI**  
Preparer

**NGO CAO CUONG**  
Chief Accountant



**BUI HUONG GIANG**  
General Director

30 March 2023