

# **BaF Vietnam Agriculture Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2022



# **BaF Vietnam Agriculture Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2022

# BaF Vietnam Agriculture Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Independent auditors' report	3 - 4
Consolidated balance sheet	5 - 7
Consolidated income statement	8
Consolidated cash flow statement	9 - 10
Notes to the consolidated financial statements	11 - 57

# BaF Vietnam Agriculture Joint Stock Company

## 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 16<sup>th</sup> 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.



# BaF Vietnam Agriculture Joint Stock Company

## 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.



Ho Chi Minh City, Vietnam

30 March 2023

Reference: 12943524/66878879-HN

## INDEPENDENT AUDITORS' REPORT

**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**



Hàng Nhật Quang  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 1772-2023-004-1



Huynh Ngoc Minh Tran  
Auditor  
Audit Practicing Registration Certificate  
No. 4637-2023-004-1

Ho Chi Minh City, Vietnam

30 March 2023



CONSOLIDATED BALANCE SHEET  
as at 31 December 2022

VND

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

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2022


VND

Code	ASSETS	Notes	Ending balance	Beginning balance (as restated – Note 39)
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>2,066,396,354,761</b>	<b>1,126,876,835,678</b>
<b>210</b>	<b>I. Non-current receivables</b>		<b>81,702,014,200</b>	<b>99,020,809,256</b>
215	1. Long-term loan receivables	9	675,000,000	17,110,809,256
216	2. Other long-term receivables	10	81,027,014,200	81,910,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>1,096,100,694,563</b>	<b>541,169,343,321</b>
221	1. 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	2. 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>III. Investment properties</b>	<b>15</b>	<b>14,649,842,650</b>	<b>14,912,916,682</b>
231	1. Cost		15,175,990,712	15,175,990,712
232	2. Accumulated depreciation		(526,148,062)	(263,074,030)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>353,356,265,502</b>	<b>248,201,967,791</b>
242	1. Construction in progress	16	353,356,265,502	248,201,967,791
<b>250</b>	<b>V. Long-term investments</b>	<b>18</b>	<b>29,505,972,462</b>	<b>43,634,276,474</b>
252	1. Investments in jointly controlled entities and associates	18.1	-	43,634,276,474
253	2. Investment in other entities	18.2	29,505,972,462	-
<b>260</b>	<b>VI. Other long-term assets</b>		<b>491,081,565,384</b>	<b>179,937,522,154</b>
261	1. Long-term prepaid expenses	19	483,390,784,371	175,676,820,790
262	2. Deferred tax assets	34.3	4,774,928,657	-
269	3. 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 (continued)  
as at 31 December 2022

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>2,986,428,033,002</b>	<b>4,002,427,538,977</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,291,719,028,034</b>	<b>3,851,377,414,740</b>
311	1. Short-term trade payables	21.1	1,900,920,607,966	3,774,329,848,165
312	2. Short-term advances from customers	21.2	8,632,664,086	1,446,549,834
313	3. Statutory obligations	24	54,752,938,089	14,522,587,250
314	4. Payables to employees		23,660,558,031	9,600,905,410
315	5. Short-term accrued expenses	22	30,633,186,645	2,548,750,000
319	6. Other short-term payables	23	8,718,476,183	34,375,911,464
320	7. Short-term loans	25	264,400,597,034	14,552,862,617
<b>330</b>	<b>II. Non-current liabilities</b>		<b>694,709,004,968</b>	<b>151,050,124,237</b>
338	1. Long-term loans	25	692,905,367,577	148,527,179,781
341	2. Deferred tax liabilities	34.3	1,803,637,391	2,522,944,456
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,742,668,059,914</b>	<b>1,454,818,471,466</b>
<b>410</b>	<b>I. Owners' equity</b>		<b>1,742,668,059,914</b>	<b>1,454,818,471,466</b>
411	1. Share capital	26.1	1,435,200,000,000	780,000,000,000
412	2. Share premium	26.1	-	279,844,500,000
421	3. 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	4. Non-controlling interests	27	8,812,858,459	7,650,663,489
<b>440</b>	<b>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

  
Ngo Cao Cuong  
Chief Accountant



  
Bùi Hương Giang  
General Director

30 March 2023



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	7,085,368,377,828	10,434,950,532,701
02	2. Deductions	28.1	(1,950,028,570)	(595,796,386)
10	3. Net revenue from sale of goods and rendering of services	28.1	7,083,418,349,258	10,434,354,736,315
11	4. Cost of goods sold and services rendered	30	(6,558,010,136,271)	(9,946,794,250,651)
20	5. Gross profit from sale of goods and rendering of services		525,408,212,987	487,560,485,664
21	6. Finance income	28.2	8,337,144,783	5,398,408,870
22	7. 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	8. Shares of profit (loss) of associate	18.1	831,315,671	(749,548,420)
25	9. Selling expenses	31	(72,229,870,717)	(15,742,973,158)
26	10. General and administrative expenses	31	(87,624,647,284)	(54,255,438,010)
30	11. Operating profit		343,509,658,287	390,112,192,339
31	12. Other income	32	1,007,084,613	966,216,881
32	13. Other expenses	32	(5,638,958,195)	(605,538,533)
40	14. Other (loss) profit	32	(4,631,873,582)	360,678,348
50	15. Accounting profit before tax		338,877,784,705	390,472,870,687
51	16. Current corporate income tax expense	34.1	(56,593,281,979)	(66,158,924,178)
52	17. Deferred tax income (expense)	34.3	5,494,235,722	(2,522,944,456)
60	18. Net profit after tax		287,778,738,448	321,791,002,053
61	19. Net profit after tax attributable to shareholders of the parent	26.1	286,687,393,478	321,720,447,789
62	20. Net profit after tax attributable to non-controlling interests	27	1,091,344,970	70,554,264
70	21. Basic earnings per share	35	2,592	2,909
71	22. Diluted earnings per share	35	2,592	2,909

Nguyen Huynh Thanh Mai  
Preparer

30 March 2023

Ngo Cao Cuong  
Chief Accountant

Bùi Hoàng Giang  
General Director





CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2022

VND


Code	ITEMS	Notes	Current year	Previous year (as restated – Note 39)
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>338,877,784,705</b>	<b>390,472,870,687</b>
	<i>Adjustments for:</i>			
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</b>	<b>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</b>	<b>Net cash flows (used in) from operating activities</b>		<b>(269,396,903,512)</b>	<b>157,332,934,324</b>
	<b>II. 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</b>	<b>Net cash flows used in investing activities</b>		<b>(578,507,857,956)</b>	<b>(632,919,512,543)</b>

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

VND

Code	ITEMS	Notes	Current year	Previous year (as restated – Note 39)
	<b>III. 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</b>	<b>Net cash flows from financing activities</b>		<b>758,392,608,916</b>	<b>648,395,901,439</b>
<b>50</b>	<b>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</b>	<b>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</b>	<b>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

# 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 16<sup>th</sup> 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/QD-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:

<i>Name of subsidiary</i>	<i>Location</i>	<i>Operation</i>	<i>% voting right</i>	<i>% ownership</i>
(1) Anh Vu Phu Yen Company Limited ("Anh Vu Phu Yen")	Phu Yen	Animal husbandry	100.00%	100.00%
(2) Bao Ngoc Livestock Company Limited ("Bao Ngoc Livestock")	Dak Lak	Animal husbandry	100.00%	100.00%
(3) Minh Thanh Livestock Production Trading Service Company Limited ("Minh Thanh Livestock")	Tay Ninh	Animal husbandry	98.00%	98.00%
(4) Bac An Khanh Production Trading Service Company Limited ("Bac An Khanh")	Tay Ninh	Animal husbandry	98.00%	98.00%
(5) Dong An Khanh Production Trading Service Company Limited ("Dong An Khanh")	Tay Ninh	Animal husbandry	98.00%	98.00%
(6) Nam An Khanh Livestock Company Limited ("Nam An Khanh")	Tay Ninh	Animal husbandry	98.00%	98.00%
(7) Green Farm 1 Investment Company Limited ("Green Farm 1")	Tay Ninh	Animal husbandry	98.00%	98.00%
(8) Green Farm 2 Investment Company Limited ("Green Farm 2")	Tay Ninh	Animal husbandry	98.00%	98.00%
(9) 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%



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

1. **CORPORATE INFORMATION** (continued)

**Corporate structure** (continued)

<i>Name of subsidiary</i>	<i>Location</i>	<i>Operation</i>	<i>% voting right</i>	<i>% ownership</i>
(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/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their 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.

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

**2. BASIS OF PREPARATION (continued)**

**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, - cost of purchase on a weighted average basis.  
tools and supplies

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.



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

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

**3.2 Inventories (continued)**

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc) of 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.

**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.

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

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

**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
--------------	----------

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.8 Investment properties (continued)**

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.

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.

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

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

**3.9 Investments (continued)**

*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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Business combinations and goodwill (continued)***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

**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.

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

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

**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 (continued)  
as at and for the year ended 31 December 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.16 Taxation (continued)***Deferred tax (continued)*

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2022**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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, Tam 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.

*(iv) Acquisition of Kim Hoi:*

On 29 November 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.



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

**4. SIGNIFICANT EVENT DURING THE YEAR (continued)**

**4.1 Acquisition of assets (continued)**

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 (*Note 18.1*).

**5. CASH AND CASH EQUIVALENTS**

		VND
	Ending balance	Beginning balance (as restated – Note 39)
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.



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

5. CASH AND CASH EQUIVALENTS (continued)

Additional information regarding the consolidated cash flow statement:

		VND
	Current year	Previous year
<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>

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

		VND
	Ending balance	Beginning balance (as restated – Note 39)
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 Business 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>

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

**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	Ending balance	Beginning balance
Advances made to other parties	69,451,992,236	88,737,692,688
<i>Pigtek Vietnam Co., Ltd.</i>	13,095,064,146	9,056,084,706
<i>Green Environmental Technology and Construction Investment Co., Ltd.</i>	10,181,365,620	6,240,000,000
<i>Song Hong Urban Construction and Investment Corporation</i>	-	23,751,499,500
<i>Other suppliers</i>	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**

	VND	
	Ending balance	Beginning balance
<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>

Details of these unsecured loan receivables are as follows:

<i>Borrower</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>
	VND		% p.a.
<b><i>Short-term loan receivables from other parties</i></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>TOTAL</b>	<b>1,887,924,989</b>		
<b><i>Long-term loan receivable from another party</i></b>			
Cong Minh Hoa Hoi Livestock Company Limited	675,000,000	26 March 2025	8.50

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

10. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance (as restated – Note 39)
<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
<i>In which:</i>		
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>

Movement for provision for doubtful other short-term receivables:

	VND	
	Current year	Previous year
Beginning balance	-	-
Add: Provision made during the year	4,303,303,908	-
Ending balance	4,303,303,908	-

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

## 11. BAD DEBTS

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>Provision</i>	<i>Amount</i>	<i>Provision</i>
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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
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>



# BaF Vietnam Agriculture Joint Stock Company

B09-DN/HN

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

## 13. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Livestock	Total	VND
<b>Cost:</b>							
Beginning balance (as restated – Note 39)	264,219,852,022	100,882,938,139	21,072,443,634	1,830,626,747	31,325,452,069	419,331,312,611	
Reclassify	19,671,682,742	(20,068,868,642)	-	397,185,900	-	-	
Transferred from construction in progress	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 subsidiaries (Note 4.1)	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)	
Ending balance	785,109,845,667	191,768,790,071	51,258,392,726	7,213,004,508	12,966,612,877	1,048,316,645,849	
<i>In which:</i>							
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>							
Beginning balance	(47,202,156,864)	(20,711,274,253)	(5,909,964,009)	(684,362,447)	(10,770,725,066)	(85,278,482,639)	
(as restated – Note 39)	(7,784,025,666)	8,158,793,548	(150,285,411)	(224,482,511)	40	-	
Reclassify	(37,975,162,172)	(11,395,902,016)	(4,062,498,242)	(792,866,019)	(1,995,396,803)	(56,221,825,252)	
Depreciation for the year							
Increase from acquisition of subsidiaries (Note 4.1)	(24,955,789,655)	(149,343,906)	-	-	-	(25,105,133,561)	
Disposals	-	-	-	-	7,272,980,990	7,272,980,990	
Ending balance	(117,917,134,357)	(24,097,726,627)	(10,122,747,662)	(1,701,710,977)	(5,493,140,839)	(159,332,460,462)	
<b>Net carrying amount:</b>							
Beginning balance	217,017,695,158	80,171,663,886	15,162,479,625	1,146,264,300	20,554,727,003	334,052,829,972	
Ending balance	667,192,711,310	167,671,063,444	41,135,645,064	5,511,293,531	7,473,472,038	888,984,185,387	
<i>In which:</i>							
Mortgaged as loan security (Note 25)	522,116,742,319	92,317,976,450	36,528,229,524	2,509,219,812	-	653,472,168,105	

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

**14. INTANGIBLE FIXED ASSETS**

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance (as restated – Note 39)	201,517,995,376	9,119,876,000	210,637,871,376
New purchases	-	1,946,300,000	1,946,300,000
Ending balance	<u>201,517,995,376</u>	<u>11,066,176,000</u>	<u>212,584,171,376</u>
<b>Accumulated amortisation:</b>			
Beginning balance (as restated – Note 39)	(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	<u>(1,512,342,819)</u>	<u>(3,955,319,381)</u>	<u>(5,467,662,200)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>200,470,988,809</u>	<u>6,645,524,540</u>	<u>207,116,513,349</u>
Ending balance	<u>200,005,652,557</u>	<u>7,110,856,619</u>	<u>207,116,509,176</u>
<i>In which:</i>			
<i>Mortgaged as loan security (Note 25)</i>	180,462,000,000	-	180,462,000,000

**15. INVESTMENT PROPERTIES**

			VND
	<i>Office floors</i>	<i>Apartments</i>	<i>Total</i>
<b>Cost:</b>			
Beginning and ending balances	<u>14,110,230,000</u>	<u>1,065,760,712</u>	<u>15,175,990,712</u>
<b>Accumulated depreciation:</b>			
Beginning balance	(263,074,030)	-	(263,074,030)
Depreciation for the year	(263,074,032)	-	(263,074,032)
Ending balance	<u>(526,148,062)</u>	<u>-</u>	<u>(526,148,062)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>13,847,155,970</u>	<u>1,065,760,712</u>	<u>14,912,916,682</u>
Ending balance	<u>13,584,081,938</u>	<u>1,065,760,712</u>	<u>14,649,842,650</u>

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 (continued)  
as at and for the year ended 31 December 2022

**16. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
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**

Details of investments in other entities are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
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**

Name of associate and joint venture	Business	Ending balance		Beginning balance (as restated – Note 39)	
		% of interest (%)	Cost of investment (VND)	% of interest (%)	Cost of investment (VND)
Myanmar BAF Livestock Company Limited ("Myanmar BAF") (i)	Animal husbandry	-	-	21.47	14,983,824,894
Siba Food Vietnam Joint Stock Company ("Siba Food Vietnam") (ii)	Trading	-	-	43.24	28,650,451,580
<b>TOTAL</b>		-	-		<b>43,634,276,474</b>



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

**18. LONG-TERM INVESTMENTS (continued)**

**18.1 Investments in associate and joint venture (continued)**

- (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*).

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

		VND
	Current year	Previous year
<b>Cost of investment</b>		
Beginning balance	44,383,824,894	44,383,824,894
Disposal during the year	(14,983,824,894)	-
Dilution in ownership interest	(29,400,000,000)	-
Ending balance	-	44,383,824,894
<b>Accumulated share in post-acquisition profit (loss) of the associate</b>		
Beginning balance	(749,548,420)	-
Shares of profit (loss) in associate	831,315,671	(749,548,420)
Dilution in ownership interest	(81,767,251)	-
Ending balance	-	(749,548,420)
<b>Carrying amount</b>		
Beginning balance	43,634,276,474	44,383,824,894
Ending balance	-	43,634,276,474

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

18. LONG-TERM INVESTMENTS (continued)

18.2 Investments in another entity

Name of entity	Ending balance		Beginning balance	
	% of interest	Cost of investment	% of interest	Cost of investment
	(%)	(VND)	(%)	(VND)
Siba Food Vietnam	10.20	29,505,972,462	-	-

19. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
<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).

20. GOODWILL

	VND	
	Current year	Previous year
<b>Cost:</b>		
Beginning balance	4,788,983,648	3,959,851,583
Increase due to acquire subsidiaries	-	829,132,065
Reclassification due to asset acquisition	(999,523,148)	-
Ending balance	3,789,460,500	4,788,983,648
<b>Accumulated amortisation:</b>		
Beginning balance	(528,282,284)	(132,436,307)
Amortisation during the year	(378,946,050)	(395,845,977)
Reclassification due to asset acquisition	33,620,190	-
Ending balance	(873,608,144)	(528,282,284)
<b>Net carrying amount:</b>		
Beginning balance	4,260,701,364	3,827,415,276
Ending balance	2,915,852,356	4,260,701,364



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

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

### 21.1 Short-term trade payables

		VND
	Ending balance	Beginning balance
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
<b>TOTAL</b>	<b>1,900,920,607,966</b>	<b>3,774,329,848,165</b>

### 21.2 Short-term advances from customers

		VND
	Ending balance	Beginning balance
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>

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

**22. SHORT-TERM ACCRUED EXPENSES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
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><u>30,633,186,645</u></b>	<b><u>2,548,750,000</u></b>

**23. OTHER SHORT-TERM PAYABLES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
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><u>8,718,476,183</u></b>	<b><u>34,375,911,464</u></b>

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

24. STATUTORY OBLIGATIONS

	Beginning balance	Increase in year	Increase from acquisition of subsidiaries (Note 4.1)	Decrease in year	VND Ending balance
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>



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

**25. LOANS**

	Beginning balance	Increase from acquisition of subsidiaries (Note 4.1)	Drawdown in year	Reclassification	Repayment in year/ Allocations of issuance costs	VND 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 (Note 25.2)	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>

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

**25. LOANS** (continued)

**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:

<i>Name of banks</i>	<i>Ending balance</i> <i>VND</i>	<i>Maturity date</i>	<i>Interest rate</i> <i>(% p.a.)</i>	<i>Description of collaterals</i>
<i>Bank for Investment and Development of Vietnam – Bac Ha Branch</i>				
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	
<i>Ho Chi Minh Development Joint Stock Commercial Bank – Tien Giang Branch</i>				
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	
<b>TOTAL</b>	<b>203,278,644,000</b>			

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

**25. LOANS (continued)**

**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:

<i>Name of banks</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>	<i>Description of collaterals</i>
	<i>VND</i>		<i>(% p.a.)</i>	<i>(Notes 13 and 14)</i>
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.



25. **LOANS (continued)**

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:

(continued)

<i>In which:</i>	
Current portion	61,121,953,034
Non-current portion	403,408,054,280
	<b><u>464,530,007,314</u></b>

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

Arranger	Ending balance VND	Repayment term	Purpose	Interest rate (% p.a.)	Description of collateral
<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 (continued)  
as at and for the year ended 31 December 2022

**26. OWNERS' EQUITY**

**26.1 Increase and decrease in owners' equity**

	Share capital	Share premium	Undistributed earnings	VND
				Total
Previous year:				
Beginning balance	500,000,000,000	-	65,588,418,869	565,588,418,869
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
Ending balance	780,000,000,000	279,844,500,000	387,323,307,977	1,447,167,807,977
Current year:				
Beginning balance	780,000,000,000	279,844,500,000	387,323,307,977	1,447,167,807,977
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
Ending balance	1,435,200,000,000	-	298,655,201,455	1,733,855,201,455

(\*) 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 16<sup>th</sup> amended ERC issued by DPI of Ho Chi Minh City approving the Company's updated share capital of VND 1,435,200,000,000.

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

**26. OWNERS' EQUITY**

**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>



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

26. OWNERS' EQUITY (continued)

26.3 Capital transactions with owners and distribution of dividends

		VND
	Current year	Previous year
<b>Contributed share capital</b>		
Beginning balance	780,000,000,000	500,000,000,000
Increase	655,200,000,000	280,000,000,000
Ending balance	<u>1,435,200,000,000</u>	<u>780,000,000,000</u>
<b>Dividends</b>		
Stock dividends declared	351,000,000,000	-
Stock dividends paid	351,000,000,000	-

26.4 Dividends

		VND
	Current year	Previous year
<b>Dividends declared and paid</b>		
2021 stock dividends: 0.45 new shares per 1 existing share	351,000,000,000	-

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

		VND
	Ending balance	Beginning balance
Contributed charter capital	7,762,650,000	7,620,000,000
Undistributed earnings	1,050,208,459	30,663,489
<b>TOTAL</b>	<u>8,812,858,459</u>	<u>7,650,663,489</u>

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

**27. NON-CONTROLLING INTERESTS** (continued)

Movements of non-controlling interests are as follows:

	Current year	VND Previous year
Beginning balance	7,650,663,489	-
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)
Ending balance	<u>8,812,858,459</u>	<u>7,650,663,489</u>

**28. REVENUE**

**28.1 Revenue from sale of goods and rendering of services**

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

**28.2 Finance income**

	Current year	VND Previous year
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><u>8,337,144,783</u></b>	<b><u>5,398,408,870</u></b>

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

**29. FINANCE EXPENSES**

		VND
	<i>Current year</i>	<i>Previous year</i>
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**

		VND
	<i>Current year</i>	<i>Previous year</i>
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**

		VND
	<i>Current year</i>	<i>Previous year</i>
<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 (continued)  
as at and for the year ended 31 December 2022

## 32. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
<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

	VND	
	Current year	Previous year
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 (Notes 13, 14, 15 and 20)	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>

## 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.

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

**34. CORPORATE INCOME TAX (continued)**

- 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.

**34.1 CIT expense**

	VND	
	Current year	Previous year
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:

	VND	
	Current year	Previous year
<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
<i>Adjustments to increase (decrease):</i>		
Non-deductible expenses	4,205,773,593	1,068,338,853
Adjustment of non-deductible interest expense under Decree No. 132/2020/ND-CP (*)	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>



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

**34. CORPORATE INCOME TAX (continued)**

(\*) 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:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
<b>Deferred tax assets</b>				
Short-term accrued expenses	3,171,458,520	-	3,171,458,520	-
Unrealised profits	1,603,470,137	-	1,603,470,137	-
	<b>4,774,928,657</b>	<b>-</b>	<b>4,774,928,657</b>	<b>-</b>
<b>Deferred tax liabilities</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>(1,803,637,391)</b>	<b>(2,522,944,456)</b>	<b>719,307,065</b>	<b>(2,522,944,456)</b>
<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>



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

**34. CORPORATE INCOME TAX (continued)**

**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:

Originating year	Can be utilised up to	Tax loss	Utilised up to 31 December 2022	Forfeited	VND 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>-</b>	<b>-</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	VND 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.

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

### 35. EARNINGS PER SHARE

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

	<i>Current year</i>	<i>Previous year (As restated)</i>
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
<b>Weighted average number of ordinary shares (excluding treasury shares) (share) (*)</b>	<b>110,610,562</b>	<b>110,610,562</b>
Basic earnings per share (VND/share)	2,592	2,909
Diluted earnings per share (VND/share)	2,592	2,909

(\*) 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:

<i>Related party</i>	<i>Relationship</i>
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 Joint Stock Company ("Siba High-Tech")	Subsidiary of major shareholder
Siba Food Vietnam	Other investment
Viet Agro Pte., Ltd	Related party

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

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

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

Related party	Transaction	Current year	VND Previous year
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:

			VND
Related party	Transactions	Ending balance	Beginning balance
<b>Short-term trade receivables</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>TOTAL</b>		<b>58,713,403,885</b>	<b>229,814,314,938</b>
<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



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

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

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

		VND	
<i>Related party</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b><i>Short-term trade payables</i></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>TOTAL</b>		<b>36,413,178,869</b>	<b>6,097,499,239</b>

**Short-term advances from customer**

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:

		VND	
		Current year	Previous year
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 Director	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 (continued)  
as at and for the year ended 31 December 2022**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.

# BaF Vietnam Agriculture Joint Stock Company

B09-DN/HN

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

## 37. SEGMENT INFORMATION (continued)

### Business segment (continued)

	Agricultural products	Livestock	Feed	Leasing	Elimination	Consolidation
						VND
For the year ended 31 December 2022						
<b>Segment net revenue</b>						
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	-
<b>Net inter-segment revenue</b>	<b>5,706,446,759,764</b>	<b>1,372,699,902,228</b>	<b>3,109,869,086</b>	<b>1,161,818,180</b>	<b>-</b>	<b>7,083,418,349,258</b>
<b>Results</b>						
Inter-segment gross profit	152,391,513,930	376,314,044,825	(4,196,089,916)	898,744,148	-	525,408,212,987
Finance income	-	-	-	-	-	8,337,144,783
Finance expenses	-	-	-	-	-	(31,212,497,153)
Shares of profit of associate	-	-	-	-	-	831,315,671
Selling expenses	-	-	-	-	-	(72,229,870,717)
General and administrative expenses	-	-	-	-	-	(87,624,647,284)
Other income	-	-	-	-	-	1,007,084,613
Other expenses	-	-	-	-	-	(5,638,958,195)
Current corporate income tax expense	-	-	-	-	-	(56,593,281,979)
Deferred tax income	-	-	-	-	-	5,494,235,722
Net profit after tax	-	-	-	-	-	287,778,738,448
<b>Assets and liabilities</b>						
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

(\*) Unallocated assets mainly comprised of cash, cash equivalents and other financial investments.



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

37. SEGMENT INFORMATION (continued)

*Business segment* (continued)

	Agricultural products	Livestock	Feed	Leasing	Elimination	VND Consolidation
<b>For the year ended 31 December 2021</b>						
<b>Segment net revenue</b>						
Sales to external customers	9,670,648,325,002	861,524,893,593 (98,684,845,917)	-	4,036,994,277 (3,170,630,640)	(101,855,476,557) 101,855,476,557	10,434,354,736,315
Inter-segment sales	-	-	-	-	-	-
<b>Net inter-segment revenue</b>	<b>9,670,648,325,002</b>	<b>762,840,047,676</b>	<b>-</b>	<b>866,363,637</b>	<b>-</b>	<b>10,434,354,736,315</b>
<b>Results</b>						
Inter segment gross profit	212,730,454,330	274,226,741,727	-	603,289,607	-	487,560,485,664
Finance income						5,398,408,870
Finance expenses						(32,098,742,607)
Shares of profit of associate						(749,548,420)
Selling expenses						(15,742,973,158)
General and administrative expenses						(54,255,438,010)
Other income						966,216,881
Other expenses						(605,538,533)
Current corporate income tax expense						(66,158,924,178)
Deferred tax (expense)						(2,522,944,456)
Net profit after tax						321,791,002,053
<b>Assets and liabilities</b>						
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

(\*) Unallocated assets mainly comprised cash, cash equivalents and other financial investments.

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

**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:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
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><u>675,469,566,709</u></b>	<b><u>503,093,954,545</u></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:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
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><u>715,000,000</u></b>	<b><u>1,279,000,000</u></b>

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

**38. COMMITMENTS (continued)**

**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:

		VND
	<i>Ending balance</i>	<i>Ending balance</i>
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><u>1,165,722,050,696</u></b>	<b><u>1,010,540,547,118</u></b>



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

**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:

VND

**As at 31 December 2021**

**CONSOLIDATED BALANCE SHEET**

	<i>Beginning balance 'as previously stated)</i>	<i>Impact of adjustments</i>	<i>Beginning balance (as restated)</i>
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
<i>Cost</i>	447,766,157,987	(28,434,845,376)	419,331,312,611
<i>Accumulated depreciation</i>	(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
<i>Cost</i>	182,203,026,000	28,434,845,376	210,637,871,376
<i>Accumulated amortisation</i>	(587,930,960)	(2,933,427,067)	(3,521,358,027)

**For the year ended 31 December 2021**



**CONSOLIDATED CASH FLOW STATEMENT**

	<i>Previous year (as previously stated)</i>	<i>Impact of adjustment</i>	<i>Previous year (as restated)</i>
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

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