



NAM VIET JOINT STOCK COMPANY

ANNUAL REPORT **2022**



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01

GENERAL INFORMATION

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1. SUMMARY INFORMATION

Trading name

NAM VIET JOINT STOCK COMPANY

Certificate of Business Registration No.

0302205973

Charter capital

80.000.000.000 VND

Owners' capital

80.000.000.000 VND

Address

18F Tang Nhon Phu St., Phuoc Long B Ward,
Thu Duc City, Ho Chi Minh City

Telephone

028 3728 2102

Fax

028 3731 3641

Website

www.navifico.vn

Securities code

NAV

- The predecessor of Nam Viet Joint Stock Company is Nam Viet Fibrociment Enterprise (abbreviated as NAVIFICO) was established in 1963 with the function of specializing in manufacturing and trading roofing sheets.

- In 1978, the People's Committee of Ho Chi Minh City issued Decision No. 2440/QD-UB dated 18/08/1978 converting Nam Viet Fibrociment Enterprise into State-owned Roofing Enterprise.

- On 28/06/1989, the People's Committee of Ho Chi Minh City issued Decision No. 375A/QD-UB to change the name of State-owned Roofing Enterprise to NAVIFICO Roofing Factory.

- On December 1, 1992, NAVIFICO Roofing Factory was re-established under Decision 151/QD-UB signed by Ho Chi Minh City People's Committee and officially under Saigon Construction Corporation.

- In 1999, the enterprise was one of the first units of Ho Chi Minh City selected by the State to conduct equitization under Decision No. 2402/QD-UB-CNN of Ho Chi Minh City People's Committee. On 01/02/2001, Nam Viet Joint Stock Company was born from the equitization of NAVIFICO Roofing Factory.

- 22/12/2006: Nam Viet Joint Stock Company officially listed on Ho Chi Minh Stock Exchange (HOSE)

Other events:
Nam Viet Joint Stock Company is a member of the International Inorganic Bonded Composite Conference (IIBCC 2014) in Viet Nam.



2. LINES AND BUSINESS AREAS

Business lines

- Manufacturing, trade and services
- During the period, the main activity of the Company is trading, warehousing, services, logistics and trade.

Business area

- The main business area, accounting for the largest proportion of revenue is Ho Chi Minh City and surrounding areas.

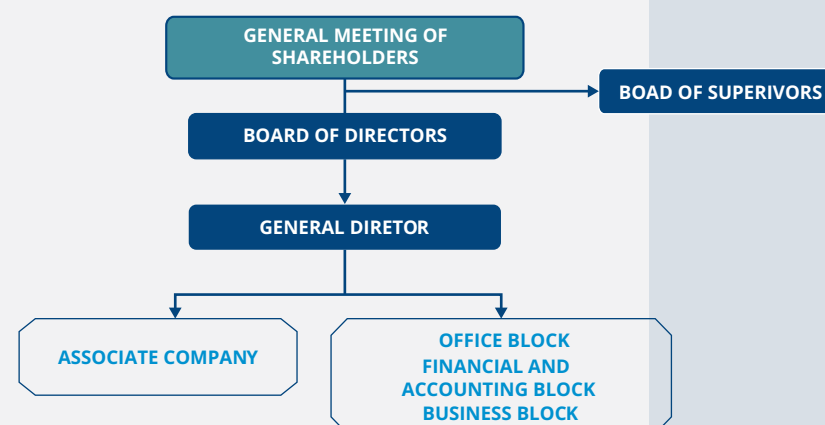
3. INFORMATION ON MANAGEMENT MODEL

Business organization and management apparatus

Governance model of Nam Viet Joint Stock Company ("Company"): The Company operates according to the model specified in Point a, Clause 1, Article 137 of the Enterprise Law 2020.

- Annual General Meeting of Shareholders (AGM)
- Board of Directors (BOD)
- Board of Supervisors (BOS)
- Managing Board (MB)

Management structure



Associate Company

The Company has an associate company, specifically as follows:

- Saigon Development Joint Stock Company ("SDC")
- Address: No. 143/7D Ung Van Khiem, Ward 25, Binh Thanh District, HCMC
- Main business lines: Cement production, trading.
- Actual charter capital contributed : VND 50,000,000,000
- The Company's ownership in SDC: 34.49%

4. DEVELOPMENT ORIENTATION

The main objectives of the Company:

- Organize business activities in a compact and light direction.
- Preservation of the Company's operating capital.

Medium and long-term development strategy

- Implementing real estate investment and business at 18F Tang Nhon Phu , Thu Duc City, Ho Chi Minh City;
- Financial investment in stable, sustainable, environmental protection industries in accordance with current legal regulations.

Sustainable development goals (environmental, social, community)

- Increase investment value;
- Fulfill obligations to care for employees, participate in community development activities;
- Commitment to pay annual dividends to shareholders according to the resolution of the AGM

5. RISKS

Risks that may affect the Company's production activities include market risks, credit risks, liquidity risks, legal risks, environmental risks, natural disasters, epidemics.

MARKET RISKS

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate with changes in market prices. Market risk has four types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as share price risk.

- Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate with changes in market interest rates. Market risks due to changes in the Company's interest rates

are mainly related to the Company's money, short-term deposits. The Company manages interest rate risk by analyzing the competitive situation in the market in order to obtain interest rates that are beneficial to the Company's purposes and remain within the limits of its risk management.

- Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate with changes in exchange rates. The Company assumes risks due to changes in exchange

rates directly related to the Company's business. The Company assumes foreign currency risk due to the purchase and sale of goods in a currency other than the Company's accounting currency. The Company manages foreign currency risk by taking into consideration the prevailing and expected market situation when the Company makes the business plan by foreign currency in the future.

CREDIT RISK

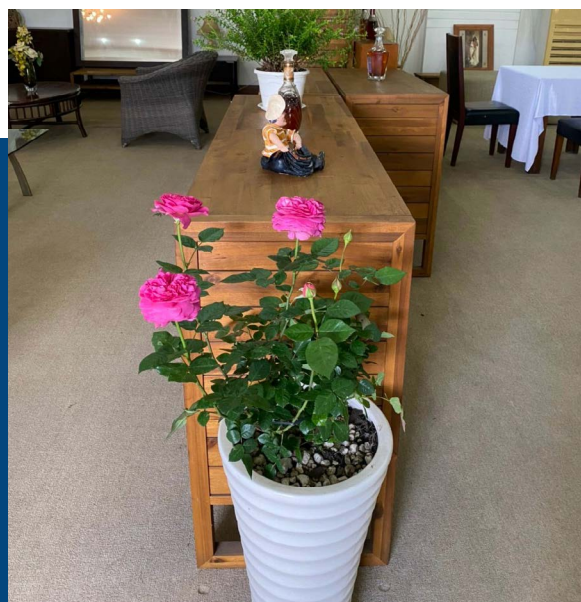
Credit risk is the risk that a party enter into a financial instrument or trading contract fails to fulfill its obligations, resulting in financial losses. The Company assumes credit risk from its trading activities (primarily for customer receivables), and from its financial activities, including bank deposits, foreign exchange operations and other financial instruments.

• Customer receivables:

The company regularly monitors uncollected receivables. For large clients, the Company considers the deterioration in the credit quality of each client at the date of the report. The Company seeks to maintain strict control over outstanding accounts receivable and deploy credit control personnel to minimize credit risk. The Company's accounts receivable are relevant to many different customers, credit risk is not significantly concentrated in a given customer.

• Bank deposits:

The company mainly maintains deposit balances at well-known banks in Vietnam. The credit risk of deposit balances in banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum credit risk for balance sheet items at the end of the 2022 financial year is the carrying value of bank deposits and time deposits. The Company perceives the concentration of credit risk for bank deposit to be low.



LIQUIDITY RISK

Liquidity risk is the risk that the Company will find it difficult to fulfill its financial obligations due to lack of capital. The Company's liquidity risk mainly arises from the fact that financial assets and financial liabilities have different maturity times. The Company minimizes liquidity risk by maintaining an amount of cash and cash equivalents and bank loans at a level that the Management deems sufficient to accommodate the Company's operations, minimizing risks due to fluctuations in cash flows.

LEGAL RISKS

Nam Viet Joint Stock Company operates under the model of a joint stock company. All activities of the Company are adjusted according to the system of legal documents including: Law on Enterprises, Law on Securities, Law on Land, relevant legal documents, decrees and guiding circulars. In the context that the legal framework and legal documents in Vietnam have not been renovated in time compared to the current economic growth rate, any changes in legal regulations may lead to impacts on the production and business activities of the Company. The Board of Directors and employees of the Company always update legal documents to have appropriate adjustments to the Company's activities.

ENVIRONMENTAL RISKS, NATURAL DISASTERS AND EPIDEMICS

Some risks are less likely, such as the risk of earthquakes, fires, droughts, storms, floods, wars or serious epidemics. These are force majeure risks, which not only greatly impact the Company's business, but also impact to macroeconomics conditions in general.



2022

OPERATION SITUATION DURING THE YEAR

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ĐẠI HỘI CỔ ĐÔNG THƯỜNG NIÊN
NĂM 2022

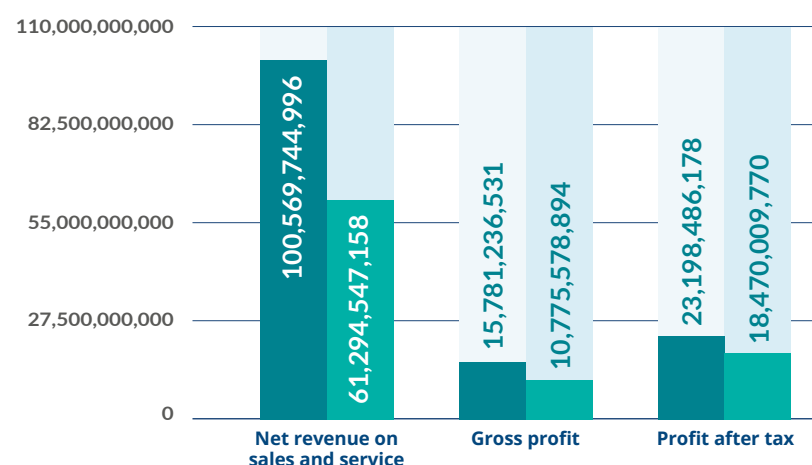


1. Business situation

2022 is an extremely challenging year for the Company when the socio-economic situation is complicated, interest rates increase at the end of the year. Facing the above difficult situation, the Board of Directors of the Company has proactively had timely plans, ensuring smooth business operations. In 2022, the Company's business focused on warehousing, logistics, and commercial leasing.

Items	Imp 2022	Imp 20221	Increase (+) Decrease (-) to 2021
Net revenue on sales and service	100.569.744.996	61.294.547.158	64,08%
Gross profit	15.781.236.531	10.775.578.894	46,45%
Profit after tax	23.198.486.178	18.470.009.770	25,60%

Unit: VND

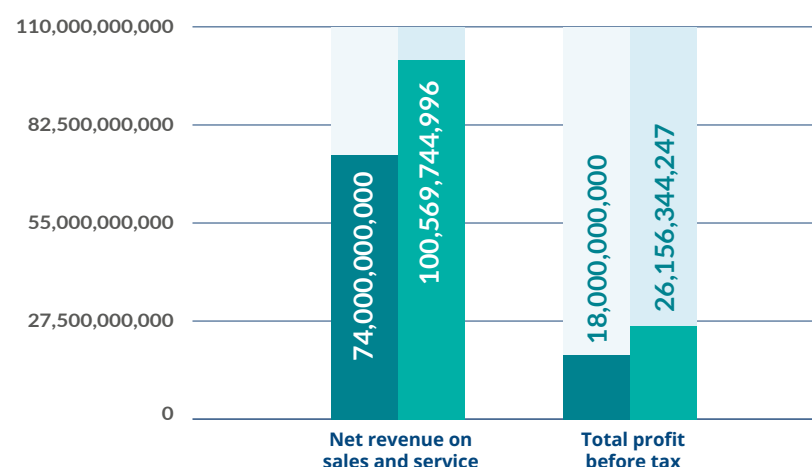


Net revenue in 2022 reached VND 100,569,744,996, up 64.08% compared to 2021; This result is mainly achieved from the increase in trading goods in 2022.

• Business planning results in 2022 compared to the plan assigned by the General Meeting of Shareholders (AGM) as follows:

Items	Plan 2022	Imp 2022	Compare Imp./Plan
Net revenue on sales and service	74.000.000.000	100.569.744.996	135,91%
Total profit before tax	18.000.000.000	26.156.344.247	145,31%

Unit: VND



With the promotion of trade in goods, flexible changes with the actual business situation, along with the determined efforts of all employees of the Company, the Company's net revenue and profit before tax in 2022 reached VND 100,569,744,996 and VND 26,156,344,247 respectively, exceeding 35.91% and 45.31% of the plan assigned by the AGM.

2. Organization and personnel

List of Management Boards

Management Board , Chief Accountant:

Full name	Function	Date of appointment/dismissal
Mr Hoang Kieu Phong	General Director	Appointed dated Dec 06, 2021 At the 2022 Extraordinary General Meeting of Shareholders on 19/08/2022, Mr. Hoang Kieu Phong was appointed General Director – Legal representative of the Company.
Ms Tran Thi My Thanh	Chief Accountant	Appointed dated 01 Sep, 2016

Mr. HOANG KIEU PHONG

Date, month and year of birth: 08 Oct, 1976

Qualification: Master of Business Administration

Working process

- **From 1998-2004:** Eximbank - Head of Credit Group - Credit Department – Bank Headquarter
- **From 2004-2011:** Techcombank- Executive Vice Chairman – Director of Zone 1, Region 3, Director of Quang Trung Branch, Deputy Director of Ho Chi Minh City Branch, Deputy Director of Credit Department of Ho Chi Minh City Branch.
- **Since 2011:** Tien Phong Bank - Deputy General Director in charge of the South, Head of Southern Representative Office concurrently Director of Saigon Branch, Member of Committees: ALCO, ARCO Credit, Investment.
- **From 2011-2014:** Phuong Dong Commercial Joint Stock Bank – Deputy General Director – Director of Large Corporate Clients and Financial Institutions, Deputy General Director – Director of Head Office Business Center – Corporate Customer Director of Headquarter Center.
- **From 2014 - present:** Home Interiors Trading Co., Ltd. sells furniture as a founding member and General Director and holds the position of Deputy General Director in charge of finance at Tien Trien Vietnam Co., Ltd.
- **01/07/2021- present:** General Director of LIDOVIT Industrial and Trading Joint Stock Company.
- **From 02/2021- present:** Current position at Nam Viet Joint Stock Company: Member of the Board of Directors - General Director.
- Number of NAV shares held:** 804,226 shares, equivalent to 10.05% shares of Nam Viet Joint Stock Company.

Ms. Tran Thi My Thanh

Date, month and year of birth: 20/04/1978

Qualification: Bachelor of Financial Accounting

Working process:

- Oct 2001- Mar 2002:** International Cosmetic Company Ltd - Payable accountant
- Mar 2002- Mar 2003:** NPP UNILEVER VN - Sale accountant
- April 2003 – July 2008:** Nam Viet Joint Stock Company (NAVIFICO) - General accounting
- Aug 2008 - Sep 2014:** Nam Viet Joint Stock Company (NAVIFICO) - Deputy Chief Accounting Department
- Dec 2014 – Mar 2016:** Nam Viet Joint Stock Company (NAVIFICO) - Deputy Director – Roofing Factory
- Apr 2016 – Aug 2016:** Nam Viet Joint Stock Company (NAVIFICO) - Head of Administration and Personnel Department
- Sep 2016 - present:** Nam Viet Joint Stock Company (NAVIFICO) - Chief Accountant concurrently Head of Administration and Personnel
- Dec 22, 2021 - present:** LIDOVIT Industrial and Trading Joint Stock Company - Head of Board of Supervisors
- **Number of NAV shares held:** 0 share

Legal representation of the Company

Full name	Legal representative
Mr. Nguyen Minh Triet	from Dec 06, 2021 to Aug 19, 2022
Mr. Hoang Kieu Phong	from Aug 19, 2022 to now.

Changes in the Management Board

The Management Board and Chief Accountant did not change in 2022.

Number of cadres and employees

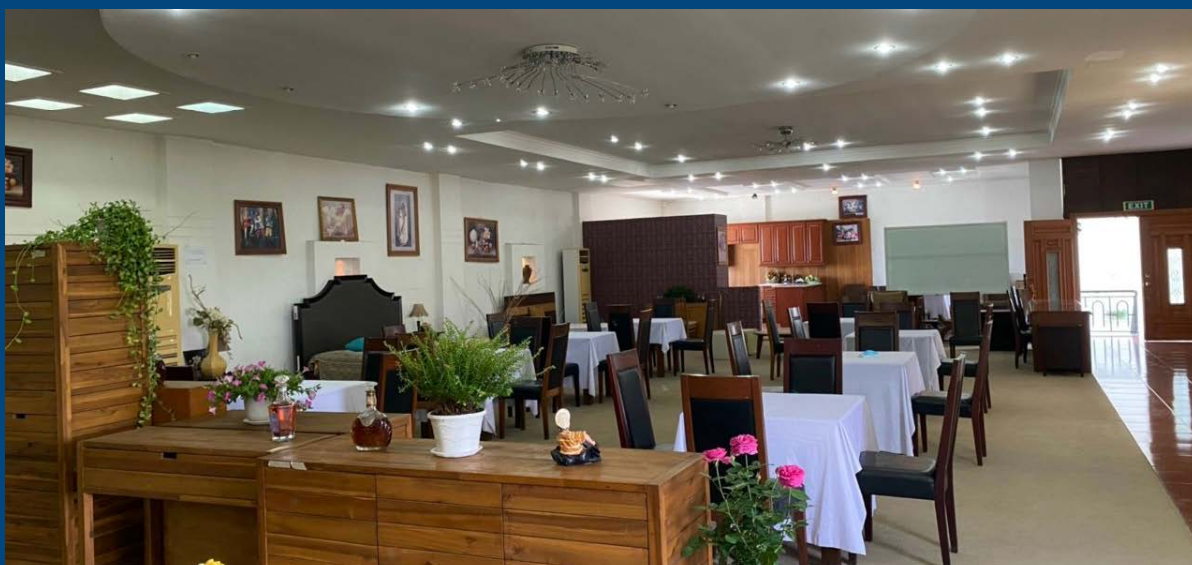
Total number of employees by 31/12/2022	Quantity	Ratio
Classification by professional level	19	
• Post Graduate	1	5,26%
• University	4	21,05%
• College	2	10,53%
• Intermediate	1	5,26%
• Skilled labor force	11	57,89%
Total	19	100%

The total number of officers and employees as of 31/12/2022 is 19 people, down 06 people compared to 31/12/2021.

3. SITUATION OF INVESTMENT, IMPLEMENTATION OF PROJECTS

Invest in an associate company: Saigon Development Joint Stock Company

- Saigon Development Joint Stock Company abbreviated as SDC. SDC has a charter capital of VND 50,000,000,000.
- SDC operates mainly in the field of cement grinding, with mixing technology and appropriate additives to produce cement to meet the technical requirements of construction of specific and highly specialized projects, in parallel providing civil cement for the market.
- Nam Viet Joint Stock Company invested VND 11,498,100,000 in SDC, currently holding 1,745,000 shares of SDC, equivalent to 34.49% of SDC's total ordinary shares.
- SDC's ROE over the years is greater than 30%.



4. FINANCIAL SITUATION:

Financial situation

Items	2021	2022	% Increase/Decrease
Total value of assets	180.819.677.235	113.575.070.137	-37,19%
Net revenue	61.294.547.158	100.569.744.996	64,08%
Cost of sales	50.518.968.264	84.788.508.465	67,83%
Profit from business operations	20.513.781.132	24.930.411.248	21,53%
Other profits	(440.863.376)	1.225.932.999	
Profit before tax	20.072.917.756	26.156.344.247	30,31%
Profit after tax	18.470.009.770	23.198.486.178	25,60%
Profit rate for paying dividends (minus 7% of funds)	116,95%	51,73%(*)	

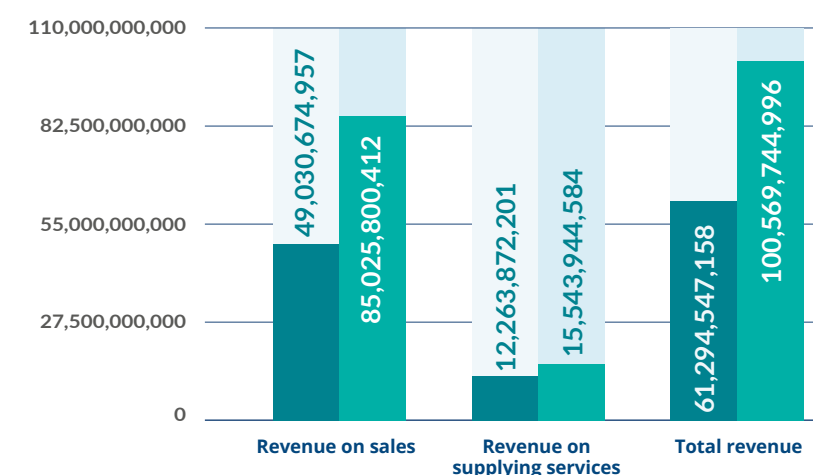
Unit: VND

(*) Calculated based on the expected dividend payout ratio in 2022 approved by the 2022 Annual General Meeting, the actual dividend payout ratio of 2022 will be decided and approved by the 2023 Annual General Meeting at the 2023 Annual General Meeting.

Revenue item in details

Items	Year 2021	Year 2022
Revenue on sales	49.030.674.957	85.025.800.412
Revenue on supplying services	12.263.872.201	15.543.944.584
Total revenue	61.294.547.158	100.569.744.996

Unit: VND



Major financial indicators

Items	Unit	2021	2022
1. Solvency index			
Short-term payment ratio			
Short-term assets/Short-term debt	time	2.16	21.99
Quick payment ratio			
Short-term assets-inventory/Short-term debt	time	2.01	20.35
2. Capital structure index			
Debt/Total assets ratio		0.44	0.05
Debt/Owners' equity ratio		0.77	0.05
3. Operation Capability Index			
Inventory turnover			
Cost sales/ Average inventory	time	4.00	9.17
Total assets turnover			
Net revenue/Average total assets	time	0.34	0.68
4. Profitability index			
Profit after tax /Net revenue ratio	%	30.13%	23.07%
Profit after tax/Owners'capital ratio	%	18.10%	21.39%
Profit after tax / Total assets ratio	%	10.21%	20.43%
Profit from Operating/Net revenue ratio	%	33.47%	24.79%

5. SHAREHOLDER STRUCTURE

Shares

- Stock name: Nam Viet Joint Stock Company.
- Type of share: ordinary shares.
- Charter capital: VND 80,000,000,000
- Number of treasury shares: 20 shares.
- Number of outstanding shares: 7,999,980 shares; where:
 - Number of freely transferable shares: 7,999,980 shares.
 - Number of shares restricted from transferring: 0 share.



Shareholder structure

- Classification by institutional shareholders and individual shareholders:

No	Shareholder	Number of Shares own	Ratio
I Domestic shareholders		7.925.093	99,06%
	Individual	6.321.902	79,02%
	Institution	1.603.191	20,04%
II Foreigner shareholders		74.887	0,94%
	Individual	53.096	0,66%
	Institution	21.791	0,27%
III Treasury shares		20	0,00025%
Total		8.000.000	100%

- Classification by percentage of holding:

No	Shareholders	Number of Shares own	Ratio
1	Major shareholders own 5% or more of the shares	7.284.248	91,05%
	Included State shareholder	1.600.000	20,00%
2	Remaining shareholders	715.732	8,95%
3	Treasury shares	20	0,00025%
Total		8.000.000	100%

- Maximum foreign ownership rate in the Company: 49%

Change of investment capital of owners:

in 2022, the Company does not increase / decrease the charter capital. The investment capital of the owner does not change.

Trading treasury shares:

The Company does not trade treasury shares in 2022.

6. ENVIRONMENTAL AND SOCIAL IMPACT REPORT OF THE COMPANY:

Impacts on the environment:

- Total direct and indirect greenhouse gas (GHG) emissions:

The company operates mainly in warehousing, logistics, and commodity trade, so estimates of total direct and indirect greenhouse gas (GHG) emissions are negligible.

- Initiatives and measures to reduce greenhouse gas emissions:

The company always applies advanced and modern equipment in business activities to reduce greenhouse gases.

Management of raw material sources

- The total amount of materials used to produce and package the organization's major products and services during the year:

The main field of activity of the Company is warehousing services, and commodity trading, so the main raw materials for production and business activities are petrol and electricity. Specifically, in 2022, the Company spent VND 60,947,000 on gasoline costs; VND 446,383,000 for electricity costs.

- Report on the percentage of recycled materials used to manufacture the organization's main products and services: negligible.

Energy consumption:

- Direct and indirect energy consumption

Direct and indirect energy consumption in 2022 is: VND 507,330,000.

- Energy savings through energy efficiency initiatives: almost few.

- Energy saving initiative reports: The Company's officers and employees actively save energy during the use of electrical equipment, avoiding waste of energy consumption.

Water consumption:

- Water supply and water usage:

Water consumption is mainly for office activities. Water use in 2022 is: 1,291 m3, equivalent to VND 18,900,000 /year.

- Percentage and total amount of recycled and reused water: 0%



Compliance with the law on environmental protection

- Number of times sanctioned for non-compliance with environmental laws and regulations: The company is not sanctioned for violations due to non-compliance with environmental laws and regulations.

- Total amount sanctioned for non-compliance with environmental laws and regulations: 0 VND.

Policies related to employees

- Number of employees, average salary for employees

The company has a total of 19 employees, the average salary for the year is VND 276,656,329/year/1 employee.

- Labor policies to ensure the health, safety and welfare of employees

The company pays unemployment insurance, social insurance, health insurance for employees in full accordance with the law, and at the same time organizes trips for all employees to build the spirit of solidarity and attachment between employees.

- Employee training activities

In 2022, the Company has conducted internal

training sessions to improve the professional quality of employees, increase labor productivity of employees.

Average number of training hours per year:

- According to employees: 5 hours / 01 employee;
- According to the classification of employees: all employees are assigned the same training, regardless of qualifications and ranks.

Skills development and continuous learning programs to support employees to secure employment and career development: internal training sessions at the Company to improve professional quality.

Reports related to responsibilities to local communities

The company conducts donation and support activities in Phuoc Long Ward as follows:

- Support the People's Committee of Phuoc Long B Ward, Thu Duc City to take care of Quy Mao Tet for the poor: VND 10,000,000.
- Support Quarter 4, Phuoc Long B Ward, Thu Duc City to take care of Quy Mao Tet for the poor: VND 5,000,000.

Reports related to green capital market activities under the guidance of the SSC

none

03

REPORT AND EVALUATION OF THE MANAGEMENT BOARD

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1. EVALUATION OF PRODUCTION AND BUSINESS RESULTS

In parallel with the business of warehousing and logistics services, the Company promotes the trade of goods, contributing greatly to revenue growth in 2022, reaching VND 100,569,744,996, up more than 64% compared to 2021. Based on that, gross profit in 2022 reached VND 15,781,236,531, up 46.45% compared to 2021. At the same time, the

Company has actively reduced costs and received other profits from the compensation of partners. The Company's profit after tax in 2022 reached 23,198,486,178, up 25.6% over the same period of 2021, reaching 145.31% of the plan set by the AGM.

2. FINANCIAL SITUATION

Property situation

Items	2021	2022	% Change
SHORT-TERM ASSETS	165.350.042.364	90.609.742.827	-45,20%
Cash and cash equivalents	1.166.598.299	4.188.555.560	259,04%
Short-term financial investments	108.000.000.000	45.000.000.000	-58,33%
Short-term receivables	43.539.087.082	34.384.380.253	-21,03%
Inventories	11.709.330.310	6.783.256.090	-42,07%
Other short-term assets	935.026.673	253.550.924	-72,88%
LONG-TERM ASSETS	15.469.634.871	22.965.327.310	48,45%
Fixed assets	3.971.534.871	11.047.773.143	178,17%
Long-term financial investment	11.498.100.000	11.498.100.000	0,00%
Other long-term assets	0	419.454.167	
TOTAL ASSETS	180.819.677.235	113.575.070.137	-37,19%

Unit VND

The Company's current assets at the end of 2022 reached VND 90,609,742,827, down 45.20% compared to the end of 2021. The main reason comes from the fact that the Company has withdrawn bank deposits and refunded VND 55 billion to Hung Thinh Group Joint Stock Company due to the liquidation of the investment cooperation contract at 18 FTang Nhon Phu, Phuoc Long B Ward, Thu Duc City. Therefore, short-term financial investment items from 108 billion in 2021, to only 45 billion in 2022, corresponding to a decrease of 58.33%.

During the year, the Company also invested in additional vehicles, resulting in fixed assets increasing by more than VND 7 billion. Total assets of the Company at the end of 2022 stood at VND 113,575,070,137, corresponding to a decrease of 37.19% compared to the end of 2021.

In 2022, the Company did not incur delinquent receivables.

Liabilities

Items	2021	2022	% Change
Liabilities	78.784.875.711	5.137.800.285	-93,48%
Short-term liabilities	76.591.175.711	4.120.230.285	- 94,62%
Short-term trade payables	9.117.240.418	0	-100,00%
Short-term advance from customers	-	120.180.882	
Statutory obligations	322.191.824	874.405.970	171,39%
Payable to employees	1.272.315.911	392.676.385	-69,14%
Short-term accrued expenses	41.537.964	26.880.564	-35,29%
Short-term unrealized revenue	109.400.000	51.630.645	-52,81%
Other short-term payables	64.916.937.984	2.638.400.431	-52,81%
Bonus and welfare funds	811.551.610	16.055.408	-98,02%
Long-term liabilities	2.193.700.000	1.017.570.000	-53,61%
Other long-term liabilities	2.193.700.000	1.017.570.000	-53,61%

Unit: VND

As of December 31, 2022, the Company's total liabilities decreased by more than VND 73 billion, corresponding to a decrease of 93.48%, to only 5,137,800,285 at the end of 2022. This reduction is mainly due to the fact that the Company has refunded VND 55 billion to Hung Thinh Group Joint Stock Company during the year to liquidate the investment cooperation contract.

As of December 31, 2022, the Company had no delinquent liabilities. The production and business activities of the Company are not affected by the difference in exchange rates. During the period, the Company did not use bank loans, therefore, interest rate fluctuations have no impact on Company costs.

3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, MANAGEMENT POLICIES

- Organize the management of production and business activities, financial management, cost management in accordance with current regulations
- Regularly improve the labor process, raise the sense of responsibility of employees, increase labor productivity.
- Update the internal management documents of the Company in accordance with current legal regulations.



4. FUTURE DEVELOPMENT PLANS

Advantages

- In 2023, the Government will promote the disbursement of public investment and the implementation of the socio-economic recovery and development program, creating incentives for related sectors, thereby contributing to economic growth.
- The collective of officers and employees unites and makes efforts for the common development of the Company.

Difficulties

- The world situation continues to evolve very complicatedly and unpredictably. World economic growth slows down; inflation is high. Big country strategic competition, economic competition, trade wars are more intense.
- Economic and social developments in the country are still complicated. The situation of debts and bonds of companies in the real estate industry makes bad debts of banks likely to increase. It is difficult for businesses to access credit capital compared to previous time.
- In early 2023, the Company receives Decision No. 163/QĐ-UBND of the People's Committee of Ho Chi Minh City on land acquisition under Article 65 of the Land Law for the land at No. 18F, Tang Nhon Phu Street, Phuoc Long B Ward, Thu Duc City for the reason of land acquisition: according to Point d, Clause 1, Article 65 of the Land Law (land assigned or leased by the State for a definite period but not extended). Nam Viet Joint Stock Company has sent a petition to the Ministry of Natural Resources and Environment on Decision No. 163/QĐ-UBND dated January 16, 2023 and waiting for a response from the Ministry of Natural Resources and Environment in particular and relevant agencies in general. Petitioning the Ministry of Natural Resources and Environment to continue to extend the land lease contract with the State is one of the key and important tasks of the Company in 2023.

Production and business plan in 2023

Items	Plan 2023 (VND)
Net revenue on sales and service	65.000.000.000
Revenue on financial activities	10.600.000.000
Total profit before tax	15.000.000.000

Where:

- Plan to setting up Bonus and Welfare fund: 4% of after-tax profit
- Remuneration of the Board of Directors and the Board of Supervisors 2022: 3% of profit after tax and after setting up the Company's funds.
- 2023 cash dividend payout: expected 15% of face value of shares.



5. MANAGEMENT BOARD'S EXPLANATION ON THE AUDIT OPINION: None

The auditor's opinion on the 2022 Financial Statements:

"The financial statements presented give a true and fairly, in all material respects the financial position of Nam Viet Joint Stock Company as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Accounting regime for enterprises and legal regulations relating to prepare and present the financial statements."

6. ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITY OF THE COMPANY

• Assessment related to environmental indicators

The Company always upholds the spirit of using water and energy economically and reasonably to conserve natural resources. In addition, the Company's business activities do not emit much into the environment, contributing to environmental protection activities.

• Employee-related assessments

The Company always ensures a full range of benefits for employees such as: pay social insurance, unemployment insurance, health insurance, organizes outings to strengthen solidarity in the Company. In addition, the Company organizes internal training activities for employees to improve professional quality.

• Assessments related to corporate responsibility to the local community

Every year, the Company always participates in donation drives organized by Phuoc Long B Ward to support people that are difficult circumstances.

04

EVALUATION OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS

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Evaluation of the Board of Directors on the operation of the Management Board	30
Plans and orientations of the Board of Directors	31





1. EVALUATION OF THE BOARD OF DIRECTORS ON ASPECTS OF THE COMPANY'S ACTIVITIES

Despite facing many difficulties in 2022, the Company still maintained its core activities while expanding its merchandise trading segment. The Company's net revenue and profit before tax in 2022 were VND 100,569,744,996 and VND 26,156,344,247, respectively. The Company has completed 135.91% of the revenue plan and 145.31% of the profit plan assigned by the General Meeting of Shareholders. At the same time, the Company has also paid dividends to shareholders in accordance with the resolution of the General Meeting of Shareholders dated 28/04/2022.

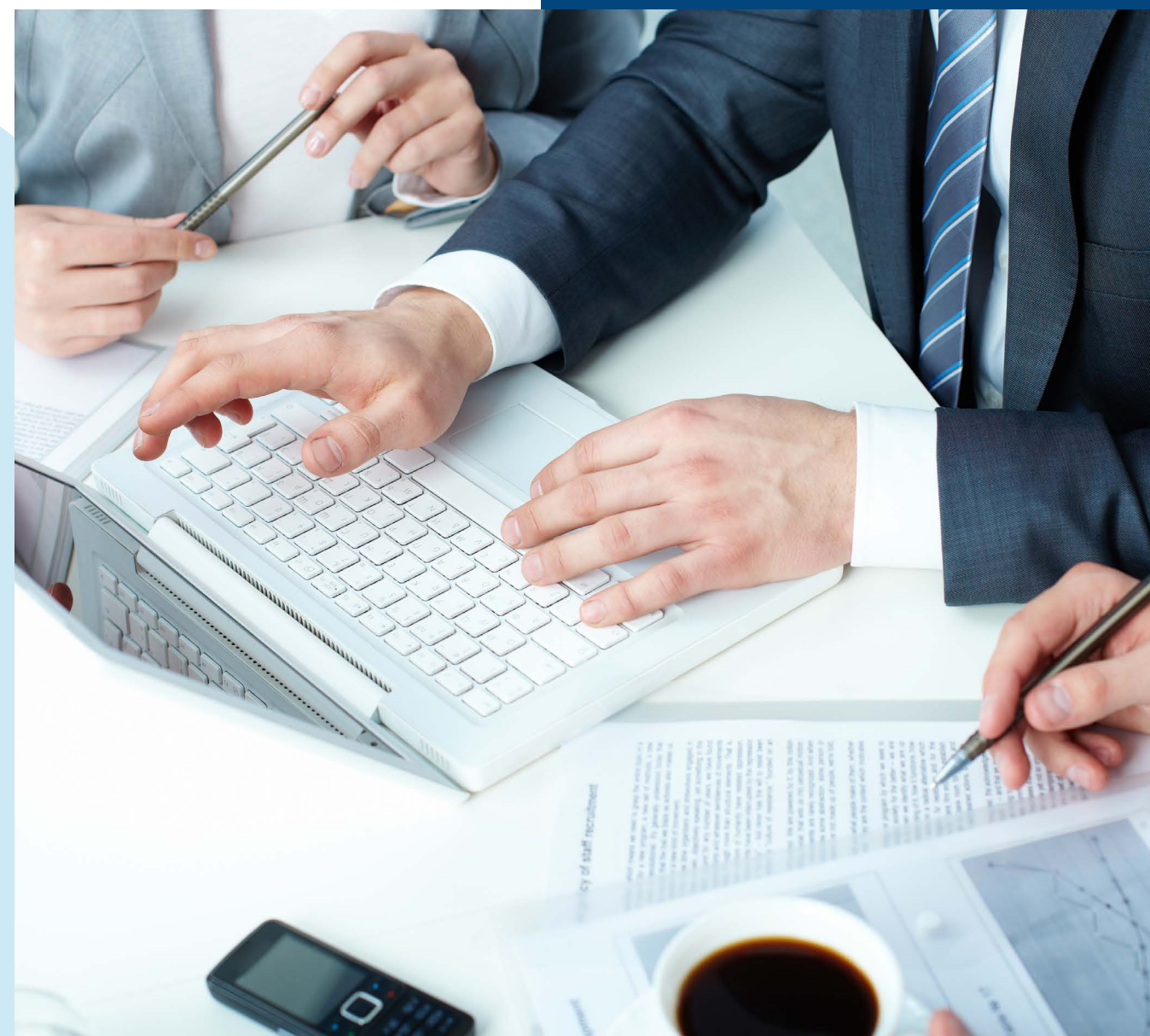
The Company has used energy economically and efficiently, in line with the Company's production operation model. During the year, the Company participated in donations launched by the local government to help the disadvantage people in the area.

2. EVALUATION OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE COMPANY'S MANAGEMENT BOARD

- The Management Board has operated in accordance with the functions, tasks and powers prescribed, complying with the provisions of the Law on Enterprises, the Law on Securities, the Company's charter, internal regulations on corporate governance, ensuring the legitimate interests of the Company and shareholders.
- The Board of Directors shall direct the Management Board of the Company to promptly resolve issues in business activities:
 - Streamlining the working apparatus, actively capitalizing in cash the company's assets while waiting for the land use planning policy of Thu Duc City;
 - Actively prepare premises for real estate business at 18F Tang Nhon Phu , Thu Duc City, Ho Chi Minh City.

3. PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

- Focus on developing 2023 plan, in which the Company focuses on warehousing, logistics and commodity trading services.
- Maximize resources, closely coordinate with consultants and related agencies, prepare for real estate business projects at 18 F Tang Nhon Phu, Thu Duc City, Ho Chi Minh City.



05

CORPORATE GOVERNANCE

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1. BOARD OF DIRECTORS

Membership and structure of the Board of Directors as at December 31, 2022

Member of the Board of Directors	Position	Start date/No longer be a Board's member date		NAV shares ownership ratio	Number of titles of members of the Board of Directors/ Management titles in other companies
		Appointment date	Dismissal date		
1 Mr. Tran Minh Cong	Independent member of Board of Directors	19/08/2022		0%	0
2 Mr. Dao Nguyen Thoai	Member	06/12/2021		0%	0
3 Mr. Hoang Kieu Phong	Member	06/12/2021		10,05%	4

Sub-committees of the Board of Directors: None.

Operation of the Board of Directors

• In 2022, the Board of Directors has exercised oversight over the activities of the Management Board in accordance with its functions, prescribed duties and powers, comply with the provisions of the Enterprise Law, Securities Law, Company's charter, internal regulations on corporate governance, ensure the legitimate interests of the Company and shareholders. Mr. Hoang Kieu Phong holds the position of General Director – Legal Representative according to the resolution of AGM No. 02/NQ-AGM-2022-NAV dated 19/08/2022. The Board of Directors directs the Management Board of the Company to promptly solve problems in business activities, continue to study the orientation of the Company in the period of 2021-2025.

- Board meetings in 2022:

Member of the Board	Number of Board meetings attended	Meeting attendance ratio
1 Mr. Nguyen Minh Triet	05/05	100%
2 Mr. Tran Minh Cong	02/02	100%
3 Mr. Dao Nguyen Thoai	07/07	100%
4 Mr. Hoang Kieu Phong	07/07	100%

• Board resolutions/Decisions in 2022

No.	Number of Resolutions/Decisions	Date	Contents	Pass rate
1	01-2022/NQ-HĐQT-NAV	10/03/2022	Resolution of the Board of Directors on terminating the investment cooperation contract with Hung Thinh Real Estate Business Investment Joint Stock Company (new name: Hung Thinh Group Joint Stock Company).	3/3
2	02-2022/NQ-HĐQT-NAV	10/03/2022	Resolution of the Board of Directors on finalizing the list of shareholders to advance dividends for the 2nd installment of 2021; holding the 2022 Annual General Meeting.	3/3
3	03-2022/NQ-HĐQT-NAV	10/03/2022	Resolution of the Board of Directors on dismissal of the person in charge of corporate governance	3/3
4	04-2022/NQ-HĐQT-NAV	10/03/2022	Board of Directors resolution on appointment of person in charge of corporate governance	3/3
5	05-2022/NQ-HĐQT-NAV	10/03/2022	Approving documents submitted to the 2022 Annual General Meeting	3/3
6	05A-2022/NQ-HĐQT-NAV	17/03/2022	Resolution of the Board of Directors on the unification of proposals sent to the Board of Directors of Saigon Development Joint Stock Company (SDC); requests SDC to provide business records from 2015-2022 and petition the SDC Board of Directors to change SDC's Executive Board.	2/3
7	06-2022/NQ-HĐQT-NAV	28/04/2022	Resolution of the Board of Directors on additional dividend expenditure 2021	3/3
8	07-2022/NQ-HĐQT-NAV	28/04/2022	Resolution of the Board of Directors on approving the salary fund of employees and the salary fund of the General Director.	3/3
9	08-2022/NQ-HĐQT-NAV	28/04/2022	Resolution of the Board of Directors authorizing the General Director in carrying out transactions between Nam Viet Joint Stock Company (NAVIFICO) and MGA Vietnam Joint Stock Company.	3/3
10	09-2022/NQ-HĐQT-NAV	28/04/2022	Resolution of the Board of Directors authorizing the General Director in carrying out transactions between Nam Viet Joint Stock Company (NAVIFICO) and LIDOVIT Industrial and Trading Joint Stock Company	3/3

11	10-2022/NQ-HĐQT-NAV	28/04/2022	Resolution of the Board of Directors authorizing the General Director in carrying out transactions between Nam Viet Joint Stock Company (NAVIFICO) and Saigon Development Joint Stock Company	3/3
12	11-2022/NQ-HĐQT-NAV	20/06/2022	Resolution of the Board of Directors on approving the list of candidates to join the Board of Directors of Saigon Development Joint Stock Company (SDC) and authorizing voting at SDC's 2022 Annual General Meeting.	2/3
13	12-2022/NQ-HĐQT-NAV	20/06/2022	Resolution of the Board of Directors on selection of the Company's 2022 Audit Company.	3/3
14	13-2022/NQ-HĐQT-NAV	20/06/2022	Resolution of the Board of Directors on approving the Company's information disclosure regulations.	3/3
15	01-2022/QĐ-HĐQT-NAV	10/03/2022	Decision on the establishment of the organizing committee of the 2022 Annual General Meeting of Shareholders.	3/3
16	14-2022/NQ-HĐQT-NAV	05/07/2022	Resolution of the Board of Directors on finalizing the list of shareholders to hold an extraordinary AGM in 2022.	3/3
17	15-2022/NQ-HĐQT-NAV	19/08/2022	Resolution of the Board of Directors on Mr. Tran Minh Cong – Chairman of Nam Viet Joint Stock Company from 19/08/2022	3/3
18	16-2022/NQ-HĐQT-NAV	19/08/2022	Resolution of the Board of Directors on 1st dividend advance expenditure in 2022	3/3
19	17-2022/NQ-HĐQT-NAV	19/08/2022	Resolution of the Board of Directors on handling outstanding issues at Saigon Development Joint Stock Company.	3/3
20	18-2022/NQ-HĐQT-NAV	22/12/2022	Resolution of the Board of Directors on approving the full text of the Internal Audit Regulation of Nam Viet Joint Stock Company.	3/3

Activities of members of the independent Board of Directors

Independent Board members participate in all meetings/collect written opinions of the Board of Directors. During operation, independent BOD members provide timely comments and criticisms objectively and independently. Independent BOD members always update the operation situation and ensure timely management and direction for the Company's Management Board.

List of members of the Board of Directors with certificates of training in corporate governance

The members of the Board of Directors of the Company have not attended training classes on corporate governance.

List of members of the Board of Directors participating in corporate governance programs during the year.

In 2022, members of the Board of Directors have not attended corporate governance training classes.

2. BOARD OF SUPERVISORS

Members and structure of the Board of Supervisors

No.	Member	Position	Start date/No longer be a Board of Supervisors' member date	NAV shares ownership ratio
1	Mr. Nguyen Minh Ban	Head of Board of Supervisors	Starting from 06/12/2021	0%
2	Mr. Nguyen Ton Nhan	Member	Starting from 06/12/2021	0%
3	Mr. Nguyen Dinh Minh	Member	Starting from 06/12/2021	0%

Operation of the Board of Supervisors

Activities of the Board of Supervisors in 2022:

Directly monitor the activities of the Board of Directors through meetings, exchanges, ways of making resolutions of the Board of Directors.

- Supervise the operation of the Management Board through the observance of the resolutions of the Board of Directors as well as the decentralization mechanism between the Board of Directors and the General Director.
- Direct contact with members of the Management Board to understand the production and business situation of the Company.
- Supervise the Company's financial situation through reporting channels and contact with the Chief Accountant, an independent auditing unit.

Board of Supervisors meetings:

No.	Member of the Board of Supervisors/Audit Committee	Number of meetings attended	Meeting attendance ratio	Voting percentage	Reason do not attend meeting
1	Mr. Nguyen Minh Ban	05/05	100%	100%	
2	Mr. Nguyen Ton Nhan	04/05	80%	100%	Busy traveling for business
3	Mr. Nguyen Dinh Minh	05/05	100%	100%	

Quarterly, the Company's Board of Supervisors meets on:

- Assessing the financial situation of the Company, assessing the compliance with the law in the operation of members of the Board of Directors, General Director and other managers;
- Evaluate the coordination between the Board of Supervisors, the Board of Directors and the Management Board.
- Other matters related to the Company's operations;

3. TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, MANAGEMENT BOARD AND BOARD OF SUPERVISORS

Salary, bonus, remuneration and other benefits:

Key member income includes remuneration, salary and other income as follows:

	2022	2021
BOARD OF DIRECTORS		
Mr. Tran Minh Cong	46.494.415	-
Mr. Dao Nguyen Thoai	94.741.623	72.173.000
Mr. Hoang Kieu Phong	1.403.699.391	1.219.545.242
Mr. Nguyen Minh Triet	48.247.208	72.173.000
BOARD OF SUPERVISORS		
Mr. Nguyen Minh Ban	94.741.623	6.844.000
Mr. Nguyen Ton Nhan	94.741.623	72.174.281
Mr. Nguyen Dinh Minh	94.741.623	72.173.000
OPERATING THE COMPANY		
Ms. Tran Thi My Thanh		
Salary	762.964.000	523.572.000
Bonus	60.000.000	-
Mr. Doan Anh Tuan	25.461.538	-
Mr. Ton That Ky Nam	167.720.553	-

Unit VND

Key members do not have non-material benefits or benefits that cannot be quantified/cannot be quantified in money.

Trading shares of insiders

In 2022, there were no insider shares trades, related person of insiders.

Contracts or transactions with insiders

Related company	Business content	2022	2021
Saigon Development JSC			
	Dividends are distributed	12.073.005.000	8.623.575.000
	Liquidation of assets	745.454.545	
	Receive money from dividends	13.797.720.000	6.036.502.500
	Purchase	-	12.181.818
	Sales	-	8.400.000
LIDOVIT Industrial and Commercial JSC			
	Purchase	43.445.378.670	21.521.773.702
	Sales	26.610.877.060	21.346.119.666
MGA Vietnam Co.,Ltd			
	Purchase	4.032.000.000	7.128.000.000
	Purchase of property	8.357.750.200	-

Unit VND

Evaluate the implementation of regulations on corporate governance

- The current governance model has met the needs of management, governance, administration and ensuring the effectiveness of governance of the Board of Directors to the Management Board.
- The Company always complies with and carry out the provisions of current laws on corporate governance.



06

FINANCIAL STATEMENTS

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THE BOARD OF GENERAL DIRECTOR'S REPORT

For the financial year ending December 31, 2022

The Board of General Directors of NamViet Joint Stock Company has the pleasure in presenting this report and the audited financial statements for the financial year ended 31 December 2022.

1. GENERAL INFORMATION

NamViet Joint Stock Company ("the Company") is a joint stock company operated under the Certificate of Business Registration No. 0302205973 for the first time on 01 February 2001 and the 15th amendment on 23 August 2022 issued by Department of Planning and Investment of Ho Chi Minh City.

The charter capital of the Company according to the Certificate of Business Registration is VND 80,000,000,000 (eighty billion VND). The Company's shares are listed on the Ho Chi Minh City Stock Exchange (HOSE) with the code NAV, the first trading day was on 22 December 2006.

Headquarters:

Address: 18F Tang Nhon Phu, Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City, Viet Nam

According to the certificate of business registration, business lines of the Company are:

- Manufacture of clay building materials. Detail: Manufacture of building materials (not working at the headquarters).
- Manufacture of articles of concrete, cement and plaster. Details: Production of roofing sheets, concrete components (not working at the headquarters).
- Manufacture of structural metal products. Details: Manufacturing all kinds of prefabricated houses, spare parts - equipment - mechanical machinery (not working at the headquarters).
- Processing and preserving of fish, crustaceans and molluscs. Details: Production and processing of agro-forestry and fishery products (not working at the headquarters).
- Short-term accommodation activities. Details: Hotel business (must meet star standards and (not working at the headquarters).
- Restaurants and mobile food service activities. Details: Restaurant.
- Construction of other civil engineering projects. Details: Construction and installation of industrial and civil works;
- Real estate activities with own or leased property. Details: real estate activities;
- Architectural and engineering activities and related technical consultancy. Details: Design: Architecture of industrial, civil works, interior works.
- Tour operator activities. Details: Domestic travel service business.

In year, the principal activities of the Company are warehousing and steel trading.

2. MEMBERS OF THE BOARD OF MANAGEMENT, BOARD OF CONTROL AND BOARD OF GENERAL DIRECTOR:

The members of the Board of Management, Board of Control, and Board of General Director and Chief Accountant during the financial year and until the date of this report include:

BOARD OF MANAGEMENT

Full name	Position	Appointment/Dismissal Date
Mr. Tran Minh Cong	Chairman	Appointed on 19 August 2022
Mr. Nguyen Minh Triet	Chairman	Dismissed on 19 August 2022
Mr. Dao Nguyen Thoai	Member	
Mr. Hoang Kieu Phong	Member	

BOARD OF CONTROL

Full name	Position
Mr. Nguyễn Minh Ban	Head
Mr. Nguyen Dinh Minh	Member
Mr. Nguyen Ton Nhan	Member

Board of General Director and Chief Accountant

Full name	Position	Appointment/Dismissal Date
Mr. Hoang Kieu Phong	General Director	
Mr. Ton That Ky Nam	Manager of Company	Appointed on 10 March 2022
Mr. Doan Anh Tuan	Manager of Company	Dismissed on 10 March 2022
Ms. Tran Thi My Thanh	Chief Accountant	

Legal representative

The legal representative person of the Company who held office during the year and to the date of this report is:

Full name	Legal representative Date
Mr. Nguyen Minh Triet	Dismissed on 22 August 2022
Mr. Hoang Kieu Phong	Appointed on 23 August 2022

3. THE COMPANY'S FINANCIAL POSITION AND OPERATING RESULTS

The Company's financial position as at 31 December 2022 and its operating result for the financial year ended 31 December 2022 are presented in the accompanying financial statements.

4. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 16 January 2023, the People's Committee of Ho Chi Minh City issued Decision No. 163/QĐ-UBND on land recovery under Article 65 of the Land Law for the land area at No. 18F, Tang Nhon Phu Street, Phuoc Long B Ward, Thu Duc City. Accordingly, the decision on the recovery of 32,202 m² of land parcel No. 146 and 2,134m² of land parcel No. 595, map sheet No. 5, cadastral of Phuoc Long Commune, Thu Duc District (according to the new cadastral map of land parcel No. 9, map sheet No. 25, Phuoc Long B ward, District 9). Reason for land recovery: according to Point d, Clause 1, Article 65 of the Land Law (land is allocated or leased by the State for definite periods and such periods expired without extension allowed).

Nam Viet Joint Stock Company is sending a petition to the Ministry of Natural Resources and Environment on decision No. 163/QĐ-UBND dated 16 January 2023 and waiting for a response from the Ministry of Natural Resources and Environment in particular and the relevant industry in general.

5. AUDITORS

AFC Vietnam Auditing Co., Ltd has been appointed to audit the financial statements for the financial year ended 31 December 2022.

6. STATEMENTS OF THE BOARD OF GENERAL DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of General Director is responsible for the financial statements for the financial year ended 31 December 2022 which gives a true and fair view of the state of affair of the Company and of its results and cash flows for the financial year ended 31 December 2022. In preparing those financial statements, the Board of General Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design, implement and maintain the Company's internal control for prevention and detection of fraud and error.

The Board of General Director is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Director is also responsible for controlling the assets of the Company and therefore has taken the appropriate measures for the prevention and detection of fraud and the statutory requirements relating to the preparation and presentation of financial statements.

The Board of General Director confirms that the Company has complied with the above requirements in preparing the financial statements.

7. Announcement of the financial statements

The Board of General Director hereby announces the accompanying financial statements which give a true and fair view of the financial position of Company as at 31 December 2022 and the results of its operations and cash flows of the Company for the financial year ended 31 December 2022 in accordance with the Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

On behalf of the Board of General Director



HOANG KIEU PHONG
General Director
Ho Chi Minh City, 21 February 2023

REPORT OF INDEPENDENT AUDITORS

No: 150/2023/BCKT-HCM.01275

BALANCE SHEET

As at 31 December 2022

To: Shareholders
Members of the Board of Management and Board of General Director
NAMVIET JOINT STOCK COMPANY

We have audited the accompanying financial statements of NamViet Joint Stock Company ("the Company"), presented on 20 February 2023, as set out on pages 05 to 33, which comprise the balance sheet as at 31 December 2022, and the income statement, cash flow statement for the year then ended and notes to the financial statements.

The Board of General Director's Responsibility

The Board of General Director is responsible for the preparation of these financial statements true and fairly in accordance with comply with Vietnamese Accounting Standards, Vietnamese Accounting System and financial reporting related legal regulations in Vietnam, and such internal control as the Board of General Director determined as necessary to ensure that the preparation and presentation of these financial statements that are free from material misstatement to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Director, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements presented give a true and fairly, in all material respects the financial position of NamViet Joint Stock Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to prepare and present the financial statements.


TRANG ĐẠC NHA
 Deputy General Director
 Audit Practicing Registration Certificate
 No. 2111-2023-009-1
 AFC VIETNAM AUDITING COMPANY LIMITED
 Ho Chi Minh City, 21 February 2023


LE NGOC HAI
 Auditor
 Audit Practicing Registration Certificate
 No. 0179-2023-009-1

	Code	Note	12/31/2022	1/1/2022
			VND	VND
ASSETS				
CURRENT ASSETS	100		90.609.742.827	165.350.042.364
Cash and cash equivalents	110	5.1	4.188.555.560	1.166.598.299
Cash	111		4.188.555.560	1.166.598.299
Cash equivalents	112		-	-
Short-term investments	120		45.000.000.000	108.000.000.000
Held-to-maturity investments	123	5.2.1	45.000.000.000	108.000.000.000
Short-term receivables	130		34.384.380.253	43.539.087.082
Short-term trade receivables	131	5.3	13.603.675.233	32.891.087.174
Short-term advances to supplies	132	5.4	11.863.367.964	299.371.944
Other receivables	136	5.5	9.292.805.808	10.724.096.716
Provision for doubtful short-term receivables	137	5.6	(375.468.752)	(375.468.752)
Shortage of assets awaiting resolution	139		-	-
Inventories	140	5.7	6.783.256.090	11.709.330.310
Inventories	141		12.553.128.390	16.811.274.010
Provision for obsolete inventories	149		(5.769.872.300)	(5.101.943.700)
Other current assets	150		253.550.924	935.026.673
Short-term prepaid expenses	151	5.8.1	85.582.605	89.973.066
Value added tax deductibles	152		167.968.319	358.532.984
Taxes and other receivable from State	153	5.14	-	486.520.623
ASSETS				
NON-CURRENT ASSETS	200		22.965.327.310	15.469.634.871
Fixed assets	220		11.047.773.143	3.971.534.871
Tangible fixed assets	221	5.9	11.047.773.143	3.971.534.871
Cost	222		26.946.980.759	20.041.926.605
Accumulated depreciation	223		(15.899.207.616)	(16.070.391.734)
Intangible fixed assets	227	5.10	-	-
Cost	228		900.098.950	900.098.950
Accumulated amortisation	229		(900.098.950)	(900.098.950)
Long-term assets in progress	240		-	-
Long-term work in progress	241		-	-
Construction in progress	242	5.11	-	-
Long-term financial investments	250		11.498.100.000	11.498.100.000
Investment in subsidiary company	251		-	-
Investment in associates and JV	252	5.2.2	11.498.100.000	11.498.100.000
Other long-term assets	260		419.454.167	-
Long-term prepaid expenses	261	5.8.2	419.454.167	-
Deferred tax assets	262		-	-
TOTAL ASSETS	270		113.575.070.137	180.819.677.235

BALANCE SHEET

As at 31 December 2022

	Code	Note	Year 2022 VND	Year 2021 VND
RESOURCES				
LIABILITIES	300		5.137.800.285	78.784.875.711
Current liabilities	310		4.120.230.285	76.591.175.711
Short-term trade payables	311	5.12	-	9.117.240.418
Short-term advance from customers	312	5.13	120.180.882	-
Statutory obligations	313	5.14	874.405.970	322.191.824
Payable to employees	314		392.676.385	1.272.315.911
Short-term accrued expenses	315	5.15	26.880.564	41.537.964
Short-term unrealised revenues	318	5.16	51.630.645	109.400.000
Other short-term payables	319	5.17.1	2.638.400.431	64.916.937.984
Short-term loan and finance lease	320		-	-
Short-term provision	321		-	-
Bonus and welfare funds	322	5.18	16.055.408	811.551.610
Price stabilisation fund	323		-	-
Government bonds trading	324		-	-
Long-term liabilities	330		1.017.570.000	2.193.700.000
Other long-term liabilities	337	5.17.2	1.017.570.000	2.193.700.000
RESOURCES				
OWNER'S EQUITY	400		108.437.269.852	102.034.801.524
Capital	410	5.19	108.437.269.852	102.034.801.524
Owners' invested equity	411		80.000.000.000	80.000.000.000
Shares with voting rights	411a		80.000.000.000	80.000.000.000
Preference shares	411b		-	-
Surplus of stock capital	412		-	-
Convertible bonds option	413		-	-
Other owners' capital	414		-	-
Treasury shares	415		(190.000)	(190.000)
Asset revaluation reserve	416		-	-
Foreign exchange differences reserve	417		-	-
Investment and development fund	418		12.243.398.279	12.243.398.279
Enterprise re-organisation support fund	419		-	-
Other funds belonging to owners' equity	420		-	-
Retained earnings	421		16.194.061.573	9.791.593.245
Accumulated retained earnings of previous year	421a		191.617.245	4.592.290.146
Retained earnings of this year	421b		16.002.444.328	5.199.303.099
Fund for capital expenditure	422		-	-
Other capital, funds	430		-	-
TOTAL RESOURCES	440		113.575.070.137	180.819.677.235



TRAN THI MY THANH
Preparer/Chief Accountant



HOANG KIEU PHONG
General Director
Ho Chi Minh City, 21 February 2023

INCOME STATEMENT

For the fiscal year ended 31 December 2022

	Code	Note	Year 2022 VND	Year 2021 VND
Gross sales of merchandise and services	1	6,1	100,569,744,996	61,294,547,158
Less deduction	2		- 0	- 0
Net sales	10		100,569,744,996	61,294,547,158
Cost of sales	11	6,2	84,788,508,465	50,518,968,264
Gross profit/(loss)	20		15,781,236,531	10,775,578,894
Financial income	21	6,3	16,690,073,314	17,227,340,503
Financial expenses	22		- 0	- 0
In which : Interest expenses	23		- 0	- 0
Selling expenses	25	6,4	107,100,000	267,395,997
General and administration expenses	26	6,5	7,433,798,597	7,221,742,268
Operating profit/(loss)	30		24,930,411,248	20,513,781,132
Other income	31	6,6	1,559,390,345	283,418,501
Other expenses	32	6,7	333,457,346	724,281,877
Other profit/(loss)	40		1,225,932,999	(440,863,376)
Profit/(loss) before tax	50		26,156,344,247	20,072,917,756
Current corporate income tax expense	51	5,14	2,957,858,069	1,602,907,986
Deferred corporate income tax expense	52		- 0	- 0
Net profit/(loss) after tax	60		23,198,486,178	18,470,009,770
Earnings per share	70	6,8	2.700	2.150



TRAN THI MY THANH
Preparer/Chief Accountant



HOANG KIEU PHONG
General Director
Ho Chi Minh City, 21 February 2023

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2022

	Code	Year 2022	Year 2021
		VND	VND
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	01	26.156.344.247	20.072.917.756
Adjustments for :			
Depreciation and amortisation	02	924.943.785	531.334.451
Provisions	03	667.928.600	1.783.219.665
(Gains)/losses from foreign exchange difference on revaluation of monetary items	04	-	-
(Profits)/losses from investing activities	05	(16.899.114.448)	(17.117.001.938)
Interest expense	06	-	-
Operating income before changes in working capital	08	10.850.102.184	5.270.469.934
(Increase)/decrease in receivables	09	8.384.687.009	(28.209.068.612)
(Increase)/decrease in inventories	10	4.258.145.620	114.866.203
Increase/(decrease) in payables	11	(65.388.128.710)	1.512.321.269
(Increase)/decrease in prepaid expenses	12	(415.063.706)	119.680.417
Interest paid	14	-	-
Corporate income tax paid	15	(1.969.440.985)	(2.521.068.169)
Other cash inflow from operating activities	16	-	-
Other cash outflow from operating activities	17	(1.723.435.650)	(369.900.000)
Net cash flow from operating activities	20	(46.003.134.238)	(24.082.698.958)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets and other long term assets	21	(8.737.595.468)	(111.237.906)
Proceed from disposal of FA and other LT assets	22	945.454.545	-
Payment for loan, purchase of debt instrument	23	(45.000.000.000)	(139.000.000.000)
Proceeds from loans, sale of debt instrument	24	108.000.000.000	126.000.000.000
Investment in other entities	25	-	-
Proceeds from investment in other entities	26	-	-
Interest and dividends received	27	18.137.178.422	19.221.028.933
Net cash flow from investing activities	30	73.345.037.499	6.109.791.027

	Code	Year 2022	Year 2021
		VND	VND
CASH FLOW FROM FINANCIAL ACTIVITIES			
Dividends paid	36	(24.319.946.000)	(18.399.950.000)
Net cash flow from financing activities	40	(24.319.946.000)	(18.399.950.000)
Net increase/decrease in cash	50	3.021.957.261	(36.372.857.931)
Cash and cash equivalents at beginning of year	60	1.166.598.299	37.539.456.230
Impact of exchange rate fluctuation	61	-	-
Cash and cash equivalents at the end of year	70	4.188.555.560	1.166.598.299



TRAN THI MY THANH
Preparer/Chief Accountant



HOANG KIEU PHONG
General Director
Ho Chi Minh City, 21 February 2023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1. GENERAL INFORMATION

1.1. Ownership

NamViet Joint Stock Company ("the Company") is a joint stock company operated under the Certificate of Business Registration No. 0302205973 for the first time on 01 February 2001 and the 15th amendment on 23 August 2022 issued by Department of Planning and Investment of Ho Chi Minh City.

The charter capital of the Company according to the Certificate of Business Registration is VND 80,000,000,000 (eighty billion VND). The Company's shares are listed on the Ho Chi Minh City Stock Exchange (HOSE) with the code NAV, the first trading day was on 22 December 2006.

1.2. Scope of operating activities

The Company operates in various fields: manufacturing, trading and services.

1.3. Line of business

According to the certificate of business registration, business lines of the Company are:

- Manufacture of clay building materials. Detail: Manufacture of building materials (not working at the headquarters);
- Manufacture of articles of concrete, cement and plaster. Details: Production of roofing sheets, concrete components (not working at the headquarters);
- Manufacture of structural metal products. Details: Manufacturing all kinds of prefabricated houses, spare parts - equipment - mechanical machinery (not working at the headquarters);
- Processing and preserving of fish, crustaceans and molluscs. Details: Production and processing of agro-forestry and fishery products (not working at the headquarters);
- Short-term accommodation activities. Details: Hotel business (must meet star standards and (not working at the headquarters);
- Restaurants and mobile food service activities. Details: Restaurant;
- Construction of other civil engineering projects. Details: Construction and installation of industrial and civil works;
- Real estate activities with own or leased property. Details: real estate activities;
- Architectural and engineering activities and related technical consultancy. Details: Design: Architecture of industrial, civil works, interior works;
- Tour operator activities. Details: Domestic travel service business.

In year, the main operating activities of the Company are warehousing and steel trading.

1.4. Business cycle

Business cycle of the Company is not exceeding 12 months.

1.5. Structure of the Company

Associations

Company name : SaiGon Development Corporation

Head office: 213/13 Nguyen Gia Tri, Ward 25, Binh Thanh District, Ho Chi Minh City, VietNam

Main business activity:

Manufacture of cement and adhesive bonding materials, trading wooden products and wooden material processing, inland river port services, cooperation in the manufacture of fresh concrete.

The rate of contributions: 34,49%

The proportion of voting rights: 34,49%

The rate of benefits: 34,49%

1.6. Declaration on comparability of information on financial statements

The figures are presented in the financial statements for the financial year ended 31 December 2022 compared with the corresponding figures prior year.

1.7. The number of the employees

At as 31 December 2022, the Company has 19 people (31 December 2021: 25 people).

2. FINANCIAL YEAR, ACCOUNTING CURRENCY

2.1. Financial year

The financial year of the Company is from January 01 to December 31 annually.

2.2. Accounting currency

The Company maintains its accounting records in Vietnamese Dong (VND) due to the revenues and expenditures are made primarily by currency VND.

3. APPLICABLE ACCOUNTING STANDARDS AND REGIME

3.1. Applicable Accounting Standards and Regime

The Company's financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting Regime in accordant with the Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 modify, complement Circular No. 200/2014/TT-BTC and existing guiding circulars issued by the Ministry of Finance in Vietnam in relating to the presentation of financial statements.

3.2. Comply with the Vietnamese Accounting Standards and Vietnamese Accounting Regime

The Board of General Director ensures that it has complied with the Vietnamese Accounting Standards

and Vietnamese Accounting Regime and the current legal regulations relating to the Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 modify, complement Circular No. 200/2014/TT-BTC and as well as the guiding implementation of Vietnamese Accounting Standards issued by the Ministry of Finance in relating to the presentation of financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Basis of preparation the financial statements

The financial statements are prepared on the accrual basis (except for information relating to cash flows).

4.2. Transactions in foreign currencies

Transactions arising in foreign currencies are converted by the exchange rate at the date of the transaction. The balances of monetary items denominated in foreign currencies at the financial year end date are converted by the exchange rate at that date.

Exchange differences arising from transactions in foreign currencies are recognized in the financial income or financial expense. Exchange differences arising from revaluation of monetary items denominated in foreign currencies at the balance sheet date after off-setting the differences is recognized in the financial income or financial expense.

Exchange rate used for conversion of transactions in foreign currency is exchange rate at the time of the transaction incurred. Real exchange rates for foreign currency transactions are defined as follows:

- The real exchange rate used when trading foreign currency (spot contracts, forward contracts, futures contracts, option contracts, swap contracts. etc.): exchange rate stated in the contract between the company and the bank.
- If the contract does not specify the exchange rate:
 - For capital contributions or receiving capital: purchasing foreign exchange rate of the bank where the company opened an account in order to get investors' capital at the date of contribution.
 - For debts: purchasing foreign exchange rate of commercial banks where the Company customer specified to pay at the time of payment transactions.
 - For liabilities: selling foreign exchange rate of commercial banks where the Company expects to have the transaction at the time of transactions.
 - For purchases of assets or expenses to be paid immediately in foreign currency (not using accounts payable): purchasing foreign exchange rate of commercial banks where the company makes the payment.

Foreign exchange rate used to reassess the balance of

monetary assets and liabilities denominated in foreign currencies at the balance sheet date are determined according to the following principles:

- For foreign currency accounts in banks: purchasing foreign exchange rate of Vietnam Joint Stock Commercial Bank – Dong Sai Gon Branch (the bank where the company opened the foreign currency account).
- For monetary items denominated in foreign currencies are classified as other assets: purchasing foreign exchange rate of Vietnam Joint Stock Commercial Bank – Dong Sai Gon Branch (Bank company regularly traded).
- For monetary items denominated in foreign currencies are classified as liabilities: selling foreign exchange rate of Vietnam Joint Stock Commercial Bank – Dong Sai Gon Branch (Bank company regularly traded).

4.3. Cash and cash equivalents

Cash comprises cash on hand, cash at banks (demand deposits). Cash equivalents are short-term highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

4.4. Investments

Held to maturity investments

Investments are classified as held to maturity when the Company has the intent and to be ability to hold to maturity. Held to maturity investments include term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and held to maturity loans to earn profits periodically and other held to maturity investments.

Held to maturity investments are initially recognized at cost including purchase price and the expenses related to the purchase of the investments. After initial recognition, these investments are recorded at their recoverable value. Interest income from held to maturity investments after the acquisition date is recognized in income statement on an estimates basis. Income before Company owns is deducted into the cost at acquisition.

When there is evidence surely about a part or all of the investment may be not recoverable and having damage can be measured reliably, the loss is recognized in financial expenses in the year and reduced direct investment values.

Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

power to participate in the financial and operating policy decisions of the investee enterprise but not control or joint control over those policies.

Investments in subsidiaries, joint-ventures and associates are initially recognized at initial cost, including purchase price or capital contributions plus costs directly attributable to the acquisition. In case of investment in non-monetary assets, the cost of the investment is recognized at the fair value of non-monetary assets at arise.

Dividends and profits from previous periods of the investments before purchase are accounted for the decrease in value of the investments. Dividends and profits of the following period are after purchase is recognized in revenue. Dividends received by shares are only followed up by the number of shares increases without recognizing the value of shares/and recorded at face value.

Provision for diminution in value of long-term investments in subsidiaries, joint-ventures and associates are made when a subsidiary, joint venture, association get loss at the level of appropriation equivalent to the difference between on subsidiaries, joint ventures, associates' actual investment capital at economic organization and actual equity capital of economic organization multiplying the capital contribution rate of the Company in comparison with in subsidiaries, joint ventures, associates' actual investment capital at economic organization. If the subsidiaries, joint ventures and associates are the object up to present the consolidated financial statements, the basis for determining loss is the consolidated financial statements.

Increase or decrease in provision for diminution in value of long-term investments of subsidiaries, joint ventures, associates have recorded at the closing day, and is recognized in the financial cost.

4.5. Receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

The classification of receivables is trade receivables, internal receivables and other receivables, which is complied with the following principles:

- Trade receivables reflect the nature of the receivables arising from commercial transactions with purchase - sale between the Company and an independent purchaser, including receivables from export sales entrusted to other units.
- Other receivables reflect the nature of the receivables arising from non-commercial transactions, and to be

related to the purchase – sale transactions.

Increases and decreases to the provision balance are recognised as general and administration expenses in the income statement.

4.6. Inventories

Inventories are presented at the lower of cost and net realizable value.

The cost of inventories is determined as follows:

- Materials and goods: comprising all costs of purchase and related expenses directly incurred in bringing the inventories to their present location and condition.
- Finished goods: including the cost of materials, direct labor and general manufacturing costs amortized based on the cost of primary materials.

Net realizable value represents the estimated selling price of inventory during the normal production and business minus the estimated costs to completion and the estimated costs necessary to consume them. Cost is determined on a weighted average method and the perpetual method is used to record inventories.

Provision for impairment of inventories is made for each inventory with the cost greater than the net value realizable. For service in progress, the provision for impairment is calculated for each type of service has a separate price. Increase or decrease in the balance of provision for impairment of inventories should be set aside at the financial year end and is recognized in cost of goods sold.

4.7. Prepaid expenses

Prepaid expenses are used to record expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Company include:

Tools and equipment

The tools and equipment have been put into use and are amortized to expense under the straight-line method to time allocation not exceeding 12 months.

Prepaid land rental

Prepaid land rental represents an amount paid for the land which the company is using. Prepaid land rental is amortized on a straight-line basis to the lease term respectively 12 months.

Warehouse repair costs and warehouse rental brokerage costs

Warehouse repair costs and warehouse rental brokerage costs incurred once to have a large value are amortized to expense under the straight-line method in 12 months.

Other prepaid expenses

Other prepaid expenses include: consulting, insurance, workwear costs... These costs are amortized to expenses under the straight-line method to time allocation not exceeding 12 months.

4.8. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, improvements and renewals are capitalised on fixed assets accounts, expenditures for maintenance and repairs are charged to the income statement.

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line basis over the estimated useful life of these assets, which are as follows:

Types of assets	Year
Buildings, structures	05 – 50
Machinery and equipment	03 – 10
Transportation	03 – 10
Office equipment	03 – 05

4.9. Intangible fixed assets

Intangible fixed assets determined at the initial costs less amortization.

The initial cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs relating to intangible assets incurred after initial recognition are recognized to the income statement, except for costs which are related to the specific intangible assets and increase benefits economic from these assets.

When assets are sold or liquidated, their cost and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

The company's intangible fixed asset is:

Computer software

The buying expenses of computer software which are not an integral part of related hardware are capitalized. Initial cost of computer software includes all the expenses paid

until the date the software is put into use.

4.10. Construction in progress

Construction in progress presents the cost of repairment of fixed assets, as well as the cost of unfinished construction (including interest expenses suitable for relevant accounting policies of the Company). No depreciation is made on construction in progress until the relevant assets are completed and put into use.

4.11. Accounts payable and accrued expenses

Accounts payable and accrued expenses are recognized for amounts to be paid in the future, which related to receive the goods and services. Accrued expenses are recorded based on reasonable estimates payment.

The classification of liabilities is payable to suppliers, accrued expenses, internal payables and other payables, which complied with the following principles:

- Trade payables reflect the nature of the payables arising from commercial transactions with purchase of goods, services, property between the Company and independent sellers, including payables when imported through trustees.
- Accrued expenses reflect the payables for goods and services received from the seller or provided with the purchaser but have not been paid until having invoices or having insufficient billing records, accounting records, and payables to employees including salary, production costs, sales must accruals.
- Other payables reflect the nature of the payables of non-commercial, not related to the purchase, sale, rendering service transactions.

4.12. Capital

Owner's equity

Capital is recorded according to the amount actually invested by shareholders.

Others

Other sources are formed by additional results from operations and revaluation of assets and residual value between the fair value of the assets which are given donations after subtracting taxes payable (if any) related to these assets.

Treasury stocks

When acquiring shares issued by the Company, payables including expenses related to the transaction are recorded as treasury shares and are reflected as a deduction in equity. When reissued, the difference between the price of re-release and the book value of treasury shares are recorded in the item "equity premium".

4.13. Distribution of net profits

Profit after tax is distributed to shareholders after an appropriation of funds under the Charter of the Company

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

as same as the law and is approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered to non-cash items in undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital, interest due to the revaluation of monetary items, the financial instruments and other non-cash items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

4.14. Revenue

Revenue from sales of goods

Sale of merchandise shall be recognized if it simultaneously meets the following five (5) conditions:

- The enterprise has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;
- The enterprise no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- Turnover has been determined with relative certainty; When contracts define that buyers are entitled to return products, goods purchased under specific conditions, enterprises shall only record turnovers if such specific conditions no longer exist and buyers are not entitled to return products, goods (unless the customer is entitled to return the goods under the form of exchange for other goods or services).
- The enterprise has gained or will gain economic benefits from the good sale transaction; and
- It is possible to determine the costs related to the goods sale transaction.

Revenue from sales of service rendered

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. In case that a transaction involves the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the interim balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably; When contracts define that buyers are entitled to return services purchased under specific conditions, enterprises shall only record turnovers if such specific conditions no longer exist and buyers are not entitled to return provided services.
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The percentage of completion of the transaction at the

interim balance sheet date can be measured reliably; and

- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

Dividends and profits received

Dividends and profit shared are recognized when the Company receive the notice of dividends or profit from the capital contribution. Dividends which received by shares, only follow up the number of shares increases, no recognition of the value of shares.

4.15. Corporate income tax

Corporate income tax ("CIT") for the year comprises current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount is calculated on taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between accounting and tax, non-deductible expenses as well as adjusted income are not taxed and losses be transferred.

Deferred income tax

Deferred income tax is the corporate income tax will pay or will be refunded by the temporary differences between the carrying amounts of assets and liabilities for the purpose of preparing the financial statements and the basis to calculate income tax. Deferred income tax is recognized for all temporary differences tax. Deferred tax assets are only recognized when the certainty of future get the taxable profits to use those temporary deductible differences.

The carrying amount of deferred tax assets are reconsidered at closing of the financial year and will be reversed to make sure that there is enough taxable profit to allow the benefit assets to be used fully or partly. The deferred tax assets were not previously recognized is reconsidered at closing of the financial year and is recognized when it is sure to enough taxable profit to be able to use this deferred tax assets.

Deferred tax assets and deferred income tax payable is calculated at the estimated tax rates that is applied in the asset is realized or the liability is settled in accordance with the tax rates in effect at closing financial year. Deferred income tax is recognized in the income statement and record directly to equity when the tax relates to items directly to equity.

Deferred tax assets and deferred income tax payables are off set as follows:

- The company has a legal right to offset between current

income tax assets and current income taxes payable; and

- Deferred tax assets and deferred income tax payables are related to corporate income tax is administered by the same tax authority;
- For the same taxable company; or
- The Company intends to pay current income taxes and deferred tax assets on the basis of net assets or recovered asset at the same with the payment of liabilities for each of periods in future when the materiality of deferred income tax or deferred tax assets to be paid or recovered.

Tax settlement of the Company and its subsidiaries will be assessed by the Tax Department. Due to the application of laws and regulations on taxes for different incurred transactions which can be explained in many different ways, tax payable presented in the financial statements can be immediately changed according to the decision of the tax authorities.

4.16. Segment Reporting

Segment by business area is a separately identifiable part that is engaged in the production or provision of products or services and has risks and returns that are different from those of other business segments.

Segment by geographical area is a separately identifiable part that is engaged in the production or provides of products or services within a particular economic environment and has economic risks and rewards different from business segments in other economic environments.

4.17. Financial instruments

Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets of the Company include cash and cash equivalents, customer receivables, other receivables, other assets and derivative financial instruments.

At the time of initial recognition, financial assets are determined at cost plus any costs directly acquisition, issuance of such financial assets.

Financial Liabilities

The classification of financial liabilities depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. Financial liabilities of the Company include payable to suppliers, accrued expenses, other payables and derivative financial instruments.

At the time of initial recognition, except for financial lease-purchase-related liabilities and convertible bonds, which are recognized at their amortized cost, other financial liabilities are determined at cost plus costs directly

issuance of such financial liabilities.

Amortization is measured at the initial recognition of the financial liability less any principal repayments, plus or minus any accumulated amortizations calculated using the effective interest method of the difference between initial recognition and maturity, less any deductions (directly or through the use of an provision account) for impairment or uncollectibility.

The effective interest method is a method of calculating the amortized value of one or a group of financial liabilities and allocating interest income or interest expenses during the relevant period. The effective interest rate is the interest rate that discounts the estimated future cash flows to be paid or received over the expected life of the financial instrument or, if necessary, back to its present carrying amount. net financial liabilities.

Equity Instruments

An equity instrument is a contract that demonstrates a residual interest in the assets of the Company after deducting all obligations.

Offsetting of financial instruments

The financial assets and financial liabilities are offset and the net amount is presented on the balance sheet, and if only, the Company:

- Has the legal right to offset the values were recognized, or
- There is an intention to settle on a net basis or to realize the asset and pay the liability simultaneously.

4.18. Related parties

Parties are considered a related party of the Company in case that party is able to control the company or to cause material effects on the financial decisions as well as operations of the Company.

In considering the relationship of stakeholders, the nature of the relationship is emphasized more than the legal form.

The following parties are known as the Company's related parties:

• SaiGon Development Corporation

Associates

• LIDOVIT Trading and Industrial Joint Stock Company

The same key members

• MGA Viet Nam Joint Stock Company

The same key members

• Board of Management, Board of Control, Board of General Director

Key members

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

5. ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET

5.1. Cash and cash equivalents

	31/12/2022 VND	01/01/2022 VND
Cash on hand – VND	143.127.323	319.058.951
Cash at banks – VND		
– VND	4.045.425.679	847.537.015
– USD (*)	2.558	2.333
	4.188.555.560	1.166.598.299

(*) As at 31 December 2022, the balance of foreign currency is USD 0.12, equivalent to VND 2,558

5.2. Investments

Investments of the Company includes held to maturity investments and investments in associates. Details of investments of the Company are as follow:

5.2.1 Held to maturity investments

	31/12/2022		01/01/2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Short-term				
Term deposits (*)	45.000.000.000	45.000.000.000	108.000.000.000	108.000.000.000
	45.000.000.000	45.000.000.000	108.000.000.000	108.000.000.000

(*) As at 31 December 2022, investments held-to-maturity are 13-month term deposits with the remaining term within 12 months at banks with an interest rate of 6.90% - 7.1% per annum.

5.2.2 Investments in associates

	31/12/2022			01/01/2022		
	Cost VND	Provision VND	Fair value (*) VND	Cost VND	Provision VND	Fair value (*) VND
Investments in associates						
SaiGon Development Corporation	11.498.100.000	-	(*)	11.498.100.000	-	(*)
	11.498.100.000	-		11.498.100.000	-	

The Company hold 1,724,715 shares, which is equivalent to 34.49% of charter capital of SaiGon Development Corporation, a company established and operating in Vietnam. The main operating activities of SaiGon Development Corporation are Manufacture business of cement and adhesive bonding materials, manufacture business of wooden products and wooden material processing, inland river port services, cooperation in the manufacture of fresh concrete. Currently, this associate is still operating normally and doing profitable business. As at 31 December 2022, the Company has fully contributed capital to Saigon Development Corporation.

(*) As at the date of financial statements, there is no fair value for this investment.

5.3. Short-term trade receivables

	31/12/2022 VND	01/01/2022 VND
Trade receivables – related parties		
LIDOVIT Trading and Industrial Joint Stock Company (Refer to item 8.1.2)	-	19.911.383.247
Trade receivables – other customers		
Viet Metal Works Co., Ltd	13.405.644.929	12.603.862.554
Other customers	198.030.304	375.841.373
	13.603.675.233	32.891.087.174

5.4. Short-term advances to supplies

	31/12/2022 VND	01/01/2022 VND
Advances to supplies – related parties		
LIDOVIT Trading and Industrial Joint Stock Company (Refer to item 8.1.2)	1.895.727.988	-
Advances to supplies - other customers		
District 3 Import and Export Production and Trading Company Limited	6.885.988.032	-
MGA Viet Nam Joint Stock Company	2.782.280.000	-
Other supplies	299.371.944	299.371.944
	11.863.367.964	299.371.944

5.5. Other short-term receivables

	31/12/2022		01/01/2022	
	Amount VND	Provision VND	Amount VND	Amount VND
Related parties				
SaiGon Development Corporation – Dividends receivables (Refer to item 8.1.2)	6.898.860.000	-	8.623.575.000	-
Other receivables				
Accrued interest	2.369.496.808	-	2.091.886.916	-
Advances	-	-	5.000.000	-
Deposits	23.300.000	-	-	-
Other short-term receivables	1.149.000	-	3.634.800	-
	9.292.805.808	-	10.724.096.716	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

5.6. Bad debts

	31/12/2022			01/01/2022		
	Overdue	Cost VND	Recoverable amount VND	Overdue	Cost VND	Recoverable amount VND
Other companies or individuals						
Phu Thanh Co., Ltd	Over 3 years	160.500.000	-	Over 3 years	160.500.000	-
Suwo Co., Ltd	Over 3 years	133.871.944	-	Over 3 years	133.871.944	-
Other companies or individuals	Over 3 years	81.096.808	-	Over 3 years	81.096.808	-
		375.468.752	-		375.468.752	-

Movements of provision for doubtful debt:

	Short-term trade receivables VND	Short-term advances to supplies VND	Total VND
As at 01/01/2022	81.096.808	294.371.944	375.468.752
As at 31/12/2022	81.096.808	294.371.944	375.468.752

5.7. Inventories

	31/12/2022		01/01/2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	2.490.825.309	(1.677.559.115)	2.803.447.405	(1.356.677.367)
Tools and supplies	9.096.201	(6.905.538)	10.917.141	(6.495.098)
Finished goods	6.515.206.880	(4.075.407.647)	6.858.909.464	(3.728.771.235)
Goods	3.538.000.000	(10.000.000)	7.138.000.000	(10.000.000)
	12.553.128.390	(5.769.872.300)	16.811.274.010	(5.101.943.700)

Movements of provision for decline inventories as follow:

	Year 2022 VND	Year 2021 VND
Opening balance	(5.101.943.700)	(3.374.788.853)
Provision in year	(1.006.512.633)	(1.892.480.917)
Reversal of provision	338.584.033	165.326.070
Closing balance	(5.769.872.300)	(5.101.943.700)

5.8. Short-term, long-term prepaid expenses**5.8.1 Short-term prepaid expenses**

	31/12/2022 VND	01/01/2022 VND
Warehouse repair costs	67.380.307	45.512.975
Insurance costs	18.202.298	8.096.455
Consultancy costs	-	36.363.636
	85.582.605	89.973.066

5.8.2 Long-term prepaid expenses

	31/12/2022 VND	01/01/2022 VND
Warehouse repair costs	419.454.167	-
	419.454.167	-

5.9. Increase/decrease of tangible fixed assets

	Building, structures VND	Machinery VND	Transportation VND	Office equipment VND	Total VND
Cost					
As at 01/01/2022	16.422.285.787	1.516.573.295	2.018.265.123	84.802.400	20.041.926.605
Increase in year	-	-	8.357.750.200	-	8.357.750.200
Transfer from CIP	379.845.268	-	-	-	379.845.268
Disposal	-	-	(1.832.541.314)	-	(1.832.541.314)
As at 31/12/2022	16.802.131.055	1.516.573.295	8.543.474.009	84.802.400	26.946.980.759
Accumulated depreciation					
As at 01/01/2022	13.249.671.317	1.461.984.726	1.273.933.291	84.802.400	16.070.391.734
Depreciation in year	312.834.633	54.588.569	557.520.582	-	924.943.785
Disposal	-	-	(1.096.127.903)	-	(1.096.127.903)
As at 31/12/2022	13.562.505.950	1.516.573.295	1.273.933.291	84.802.400	15.899.207.616
Net book value					
As at 01/01/2022	3.172.614.470	54.588.569	744.331.832	-	3.971.534.871
As at 31/12/2022	3.239.625.105	-	7.808.148.039	-	11.047.773.143

Cost of fixed tangible assets which are fully depreciated but still in use:

As at 01/01/2022	7.939.854.205	1.134.453.295	878.012.100	84.802.400	10.037.122.000
As at 31/12/2022	8.314.484.989	1.134.453.295	185.723.809	84.802.400	9.719.464.493

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

5.10. Increase/decrease of intangible fixed assets

	Computer Software VND	Total VND
<i>Cost</i>		
As at 01/01/2022	900.098.950	900.098.950
As at 31/12/2022	900.098.950	900.098.950
<i>Accumulated depreciation</i>		
As at 01/01/2022	900.098.950	900.098.950
As at 31/12/2022	900.098.950	900.098.950
<i>Net book value</i>		
As at 01/01/2022	-	-
As at 31/12/2022	-	-
Cost of intangible fixed assets which are fully depreciated but still in use:		
As at 01/01/2022	900.098.950	900.098.950
As at 31/12/2022	900.098.950	900.098.950

5.11. Construction in progress

	01/01/2022	Increase in year	Transfer to fixed assets	31/12/2022
	VND	VND	VND	VND
Construction in progress	-	379.845.268	(379.845.268)	-
	-	379.845.268	(379.845.268)	-

5.12. Short-term trade payables

	31/12/2022		01/01/2022	
	Amount	Amount within repayment capacity	Amount	Amount within repayment capacity
	VND	VND	VND	VND
Short-term trade payables - Related parties				
LIDOVIT Trading and Industrial Joint Stock Company (Refer to item 8.1.2)	-	-	2.310.243.738	2.310.243.738
Short-term trade payables - Other suppliers				
An Hoa Co., Ltd	-	-	5.549.572.160	5.549.572.160
Tycoons Viet Nam Co., Ltd	-	-	1.257.424.520	1.257.424.520
			9.117.240.418	9.117.240.418

5.13. Short-term advance from customers

	31/12/2022 VND	01/01/2022 VND
Advance from related parties		
LIDOVIT Trading and Industrial Joint Stock Company (Refer to item 8.1.2)	120.180.882	-
	120.180.882	-

5.14. Taxes and amounts payables, (receivables) to the State Budget

	01/01/2022		Movement in the year		31/12/2022
	Taxes Payable VND	Taxes Receivable VND	Payable VND	Paid VND	Taxes Payable VND
Value added tax on domestic goods	-	-	1.136.920.007	1.136.920.007	-
Corporate income tax	(486.520.623)	-	2.957.858.069	1.969.440.986	501.896.460
Personal income tax	-	322.191.824	1.252.478.730	1.202.161.044	372.509.510
Land and housing taxes	-	-	704.386.476	704.386.476	-
Other taxes	-	-	46.351.589	46.351.589	-
	(486.520.623)	322.191.824	6.097.994.871	5.059.260.102	874.405.970

Value added tax

The Company paid value added tax payable under deduction method. Value added tax rate on exported goods was 0%, on goods sale in domestic was 10%.

Corporate income tax

The Company is obliged to pay corporate income tax for income from business activities according to the Tax Law.

Corporate income tax payable for the year is estimated as follows:

	Year 2022 VND	Year 2021 VND
Accounting profit before tax	26.156.344.247	20.072.917.756
Adjustments to increase, decrease accounting profit before tax to determine taxable income:		
- Adjustments to increase	705.951.100	-
- Adjustments to decrease		-
Assessable income	26.862.295.347	20.072.917.756
Tax exempt income (Dividends distributed from profit)	(12.073.005.000)	(8.623.575.000)
Losses carried forward		-
Taxable income	14.789.290.347	11.449.342.756
Corporate income tax rate	20%	20%
Corporate income tax payable	2.957.858.069	2.289.868.551
Corporate income tax reduction (*)	-	(686.960.565)
Current corporate income tax expense	2.957.858.069	1.602.907.986

Other taxes

The Company declared and paid according to regulations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

5.15. Short-term accrued expenses

	31/12/2022 VNĐ	01/01/2022 VNĐ
Accrued expenses per order	9.322.807	41.537.964
Electricity accrued expenses	16.357.757	-
Other expenses	1.200.000	-
	26.880.564	41.537.964

5.16. Short-term unrealised revenues

	31/12/2022 VNĐ	01/01/2022 VNĐ
Unrealised revenues from leasing warehouse	51.630.645	109.400.000
	51.630.645	109.400.000

5.17. Other short-term, long-term payables

5.17.1 Other short-term payables

	31/12/2022 VNĐ	01/01/2022 VNĐ
Other payables – Related parties		
Remuneration of the Board of Management, Board of Control	165.116.406	361.936.281
Other payables – Other parties		
Hung Thinh Real Estate Business Investment Corporation	-	55.000.000.000
SaiGon Construction Corporation One Member Limited Company – Dividend payable	-	4.000.000.000
Dividends of other shareholders	2.530.200	5.122.514.200
Deposit payables	2.433.655.000	399.750.000
Others	37.098.825	32.737.503
	2.638.400.431	64.916.937.984

5.17.2 Other long-term payables

	31/12/2022 VNĐ	01/01/2022 VNĐ
Deposit payables	1.017.570.000	2.193.700.000
	1.017.570.000	2.193.700.000

5.18. Bonus and welfare funds

	01/01/2022 VNĐ	Increase by deduction from profits VNĐ	Used in year VNĐ	31/12/2022 VNĐ
Bonus fund	390.662.309	463.969.724	847.354.329	7.277.704
Welfare fund	420.889.301	463.969.724	876.081.321	8.777.704
	811.551.610	927.939.448	1.723.435.650	16.055.408

5.19. Owners' equity

5.19.1. The table of equity fluctuation

	Owners' in- vested capital VNĐ	Treasury stocks VNĐ	Investment development fund VNĐ	Retained earn- ings VNĐ	Total VNĐ
Last year					
As at 01/01/2021	80.000.000.000	(190.000)	12.243.398.279	18.992.254.146	111.235.462.425
Profit in year	-	-	-	18.470.009.770	18.470.009.770
Dividend distribution in 2020	-	-	-	(14.399.964.000)	(14.399.964.000)
Advance dividend in 2021				(11.999.970.000)	(11.999.970.000)
Setting up bonus and welfare fund	-	-	-	(738.800.390)	(738.800.390)
Setting up remuneration of Board of Management	-	-	-	(531.936.281)	(531.936.281)
As at 31/12/2021	80.000.000.000	(190.000)	12.243.398.279	9.791.593.245	102.034.801.524
This year					
As at 01/01/2022	80.000.000.000	(190.000)	12.243.398.279	9.791.593.245	102.034.801.524
Profit in year	-	-	-	23.198.486.178	23.198.486.178
Dividend distribution in 2021	-	-	-	(9.599.976.000)	(9.599.976.000)
Advance dividend in 2022	-	-	-	(5.599.986.000)	(5.599.986.000)
Setting up bonus and welfare fund	-	-	-	(927.939.448)	(927.939.448)
Setting up remuneration of Board of Management	-	-	-	(668.116.402)	(668.116.402)
As at 31/12/2022	80.000.000.000	(190.000)	12.243.398.279	16.194.061.573	108.437.269.852

5.19.2 Detail of owners' invested capital

Shareholders	31/12/2022		01/01/2022	
	VND	Rate (%)	VND	Rate (%)
Shareholders are legal entities				
SaiGon Construction Corporation One Member Limited Company	16.000.000.000	20,00	16.000.000.000	20,00
Shareholders are individuals				
Ms. Nguyen Thi Huong Ngan	25.684.420.000	32,11	25.684.420.000	32,11
Mr. Tran Binh Khoi	16.450.400.000	20,56	16.090.400.000	20,56
Mr. Hoang Kieu Phong	8.042.260.000	10,05	8.042.260.000	10,05
Ms. Do Thi Hien Luong	6.665.400.000	8,33	6.665.400.000	8,33
Other shareholders	7.157.320.000	8,95	7.157.320.000	8,95
Treasury stocks	200.000	0,00	200.000	0,00
	80.000.000.000	100,00	80.000.000.000	100,00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

5.19.3 Shares

	31/12/2022	01/01/2022
Registered number of issued shares	8.000.000	8.000.000
Number of shares sold to the public		
- Ordinary shares	8.000.000	8.000.000
- Preferred shares	-	-
Number of repurchased shares		
- Ordinary shares	20	20
- Preferred shares	-	-
Number of shares in circulation		
- Ordinary shares	7.999.980	7.999.980
- Preferred shares		

Par value of shares in circulation is VND 10,000.

5.19.4 Profits distribution

During the year 2022, the Company distributed profits according to the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHĐCĐ-2022-NAV dated 28 April 2022, Board Resolution No. 06-2022/NQ-HDQT-NAV dated 28 April 2022 and Board Resolution No. 16-2022/NQ-HDQT-NAV dated 19 August 2022. Details are as follows:

	VND
• Additional dividend in the year 2021 (12% par value)	9.599.976.000
• Distributed in advanced the dividends in the year 2022 (7% par value)	5.599.986.000
• Setting up bonus and welfare fund in the year 2022 from net profit after tax of the year 2022	927.939.448
• Setting up remuneration of Board of Management in the year 2022 from net profit after tax of the year 2022	668.116.402

**5.20. Off balance sheet items
Foreign currencies**

	31/12/2022	01/01/2022
US Dollar (USD)	0,12	0,11

6. ADDITIONAL INFORMATION FOR ITEMS IN THE INTERIM INCOME STATEMENT**6.1. Gross sales of merchandise and services**

	Year 2022 VND	Year 2021 VND
Revenue from sale of goods, finished goods	85.025.800.412	49.030.674.957
Revenue from rendering services	15.543.944.584	12.263.872.201
	100.569.744.996	61.294.547.158

6.2. Cost of sales

	Year 2022 VND	Year 2021 VND
Cost of merchandise sold, finished goods sold	82.416.754.089	49.179.941.294
Cost of provided services	2.371.754.376	1.339.026.970
	84.788.508.465	50.518.968.264

6.3. Financial income

	Năm 2022 VND	Năm 2021 VND
Interest on deposits	4.617.068.314	8.580.448.059
Dividends and profit shared	12.073.005.000	8.623.575.000
Interest on foreign exchange differences	-	23.317.444
	16.690.073.314	17.227.340.503

6.4. Selling expenses

	Năm 2022 VND	Năm 2021 VND
Brokerage commission costs	107.100.000	141.750.000
Cost of export services	-	125.645.997
	107.100.000	267.395.997

6.5. General and administration expenses

	Năm 2022 VND	Năm 2021 VND
Staff cost	5.256.470.255	5.901.823.083
Depreciation cost	153.849.181	343.770.431
Taxes, fees and charges	12.891.223	39.537.992
Other costs	2.010.587.938	936.610.762
	7.433.798.597	7.221.742.268

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

6.6. Other income

	Năm 2022 VNĐ	Năm 2021 VNĐ
Collected from compensation for factory landslide incident	1.303.611.219	-
Interest on disposal fixed assets (*)	209.041.134	-
Other income	46.737.992	283.418.501
	1.559.390.345	283.418.501

(*) Details of disposal fixed assets:

	Năm 2022 VNĐ	Năm 2021 VNĐ
Proceeds from disposal of fixed assets	(736.413.411)	-
Net book value of disposal fixed assets	945.454.545	-
Gain on disposal or sales of fixed assets	209.041.134	-

6.7. Other expenses

	Năm 2021 VNĐ	Năm 2020 VNĐ
Handling inventory after inventory	265.636.522	-
Fines for administrative violations	33.460.366	-
Cancellation of debts	-	637.260.756
Loss on disposal of fixed assets	-	87.021.121
Others	34.360.458	
	333.457.346	724.281.877

6.8. Basic earnings per share

	Năm 2022 VNĐ	Năm 2021 VNĐ
Net profit after tax	23.198.486.178	18.470.009.770
The adjusted increase of accounting profit to determine profit attributable to shareholders holding ordinary shares:		
- Setting up bonus and welfare fund	(927.939.448)	(738.800.390)
- Setting up remuneration of Board of Management	(668.116.402)	(531.936.281)
Profit used to calculate basic earnings per share	21.602.430.328	17.199.273.099
Weighted average number of ordinary shares circulating during the year	7.999.980	7.999.980
Earnings per share (VNĐ/share)	2.700	2.150

Ordinary shares circulating on average during the year is calculated as follows:

	Năm 2022 VNĐ	Năm 2021 VNĐ
Ordinary shares circulating at the beginning of the year	7.999.980	7.999.980
Effect of ordinary shares repurchase	-	-
Effect of ordinary shares issued	-	-
Ordinary shares circulating on average during the year	7.999.980	7.999.980

6.9. Production cost according to factors

	Năm 2022 VNĐ	Năm 2021 VNĐ
Cost of raw materials	82.046.952.031	47.501.125.274
Staff cost	5.256.470.255	5.901.823.083
Depreciation cost	924.943.785	531.334.451
Other cost	2.875.638.851	4.073.823.721
	91.104.004.922	58.008.106.529

7. FINANCIAL INSTRUMENTS

The Company may have financial assets such as trade receivables, other receivables, cash and short-term deposits that arise directly from the operations of the company. Financial liabilities of the Company mainly consist of trade payables, accrued expenses and other payables. The main purpose of these financial liabilities is to gather the financial resources to serve the activities of the Company.

The company incurs from market risk, credit risk and liquidity risk.

Operational risk management is indispensable operations for the entire business operations of the Company. The Company has not implemented measures to prevent this risk due to lack of a market to purchase financial instruments.

Board of General Directors considered and uniformly applied policies to manage each of these risks are summarized below:

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk has four types of risk: interest rate risk, currency risk, goods price risk and other price risk, such as share price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Market risk for changes in interest rates of the Company primarily correlates to cash, short term deposits of the Company.

The company manages interest rate risk by analyzing the competitive situation in the market to acquire beneficial interest for company's purposes, but still remain within the limits of their risk management.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company incurs the risk of changes in exchange rates, which are directly related to the business operations of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

The company has foreign exchange risk from the purchase and sale goods denominated in other currencies, which are different from the accounting currency of the Company. The exchange rate risk of the Company is managed by reviewing the current and expecting market situation when the Company plans to buy and sell in the future in foreign currency.

ii. Credit risk

Credit risk is the risk that one party of a financial instrument or contract not performing its obligations, resulting in financial losses. The Company has credit risk from its operating activities (primarily for trade receivables account), and from its financial activities, including bank deposits, foreign exchange transactions and the other financial instruments.

Trade receivables

The company regularly keeps track of the receivables, which is not yet collected. For big customers, the Company considered the decline in the credit quality of each customer at the reporting date. The company seeks the way to remained the tight control of the receivables and arranging credit control staff to minimize credit risk.

On this basis and the trade receivables of the Company related to various customers, credit risk is not significantly concentrated in a certain customer.

Cash in bank

The company mainly maintained deposit balances at well-known banks in Vietnam. Credit risk of the deposit balances at banks is managed by the treasury department of the Company the company's policies. The maximum credit risk of the Company for the items on the balance sheet at the end of the financial year is the value book presented in Note 5.1. The company found that the level of concentration of credit risk on bank deposits is low.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in implementing their financial obligations due to lack of funds. Liquidity risk of the company mainly arises from maturity mismatches of financial assets and financial liabilities.

Company minimizes the liquidity risk by maintaining an amount of cash and cash equivalents and bank loans at a level that the board of directors believes it is sufficient to meet the company's operations and minimize the risks due to the volatility of cash flows.

The table below summarizes the maturity of the financial liabilities of the Company based on expected payments on undiscounted basic contracts:

	Less than 1 year VND	More than 1 year VND	Total VND
As at 31 December 2022			
Trade payables	-	-	-
Other payables	2.463.065.764	1.017.570.000	3.480.635.764
	2.463.065.764	1.017.570.000	3.480.635.764
As at 01 January 2022			
Trade payables	9.117.240.418	-	9.117.240.418
Other payables	64.563.802.164	2.193.700.000	66.757.502.164
	73.681.042.582	2.193.700.000	75.874.742.582

Collaterals

The Company does not hold any collateral of another party at the date of 31 December 2022 and 31 December 2020.

Fair values versus carrying amounts

	Carrying amount		Fair value	
	31/12/2022 VND	01/01/2022 VND	31/12/2022 VND	01/01/2022 VND
Financial assets				
Trade receivables	13.603.675.233	32.891.087.174	13.603.675.233	32.891.087.174
Other receivables	9.292.805.808	10.718.146.716	9.292.805.808	10.718.146.716
Held-to-maturity investments	45.000.000.000	108.000.000.000	45.000.000.000	108.000.000.000
Cash and cash equivalents	4.188.555.560	1.166.598.299	4.188.555.560	1.166.598.299
	72.085.036.601	152.775.832.189	72.085.036.601	152.775.832.189
Financial liabilities				
Trade payables	-	9.117.240.418	-	9.117.240.418
Other payable	3.480.635.764	66.757.502.164	3.480.635.764	66.757.502.164
	3.480.635.764	75.874.742.582	3.480.635.764	75.874.742.582

The fair value of the financial assets and liabilities was not officially assessed and determined as at 31 December 2022 and 01 January 2022.

The Company has not revalued its financial assets and financial liabilities at fair value because Circular 210/2009/TT-BTC dated 06 November 2009 of the Ministry of Finance as well as current regulations has not provided specific guidance on the determination of fair value. As at 01 January 2022 and 31 December 2022, the fair values of the financial assets and financial liabilities correspond to their carrying amounts. The Board of Management believes that the fair values of these financial assets and financial liabilities are not materially different from their carrying amounts at the balance sheet date.

8. OTHER INFORMATION

8.1. Transactions and balances with related parties

The related parties with the Company include key management members, the individuals involved with key management members and other related parties.

8.1.1 Transactions and balances with key management members, the individuals involved with key management members

The key management members include: Members of the Board of Management, Board of Control and members of the Executive Board (Board of General Directors and Chief Accountant).

Individuals associated with key management members are close members in the family of key management members.

Transactions with key management members, the individuals involved with key management members

The Company had no incurred sales and services rendered transactions as well as other transactions with the key management members and related individuals with key management members.

Liabilities to key management members and individuals related to key management members

At the end of the financial year, the Company has no liabilities with the key management members and individuals related to key management members.

Income of key management members

Income of key members includes remuneration of the Board of Management, Board of Control, Board of General Director and Chief Accountant and salary and other income during the year as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUE)

For the financial year ended 31 December 2022

	Năm 2022 VNĐ	Năm 2021 VNĐ
Board of Management		
Mr. Tran Minh Cong	46.494.415	-
Mr. Dao Nguyen Thoi	94.741.623	72.173.000
Mr. Hoang Kieu Phong	1.403.699.391	1.219.545.242
Mr. Nguyen Minh Triet	48.247.208	72.173.000
Ms. Nguyen Thi Huong Ngan	-	65.328.000
Mr. Ton That Manh	-	65.328.000
Board of Control		
Mr. Nguyen Minh Ban	94.741.623	6.844.000
Mr. Nguyen Ton Nhan	94.741.623	72.174.281
Mr. Nguyen Dinh Minh	94.741.623	72.173.000
Mr. Nguyen Ngoc Phi	-	33.570.000
Managing Director		
Mr. Tran Thi My Thanh		
- Salary	762.964.000	523.572.000
- Remuneration	60.000.000	-
Mr. Doan Anh Tuan	25.461.538	-
Mr. Ton That Ky Nam	167.720.553	-
	2.893.553.598	2.202.880.523

8.2. Transactions and balances with other related parties

Transactions with other related parties

Related parties	Transactions	Năm 2022 VNĐ	Năm 2021 VNĐ
SaiGon Development Corporation			
	Dividends distributed	12.073.005.000	8.623.575.000
	Liquidation of assets	745.454.545	-
	Received money from dividends	13.797.720.000	6.036.502.500
	Purchase goods	-	12.181.818
	Sell goods	-	8.400.000
LIDOVIT Trading and Industrial Joint Stock Company			
	Purchase goods	43.445.378.670	21.521.773.702
	Sell goods	26.610.877.060	21.346.119.666
MGA Viet Nam JSC			
	Purchase goods	4.032.000.000	7.128.000.000
	Purchase assets	8.357.750.200	-

Liabilities with other related parties

Related parties	Transactions	Năm 2022 VNĐ	Năm 2021 VNĐ
SaiGon Development Corporation	Dividends receivables (Refer to item 5.5)	6.898.860.000	8.623.575.000
LIDOVIT Trading and Industrial Joint Stock Company	Trade receivables (Refer to item 5.3)	-	19.911.383.247
	Trade payables (Refer to item 5.12)	-	2.310.243.738
	Short-term advances to supplies (Refer to item 5.4)	1.895.727.988	
	Short-term advance from customers (Refer to item 5.13)	120.180.882	

8.2. Segment reporting

Segment information has been presented for reporting financial information by line of business and by geographical area. Segment reporting is mainly by line of business based on the internal organizational and management structure and the Company's internal financial reporting system.

The Company does not present a Segment Statement in the financial statements because the Board of Management has assessed and concluded that the Company does not have more than one segment (both business lines and geographical areas) to report accordance with the accounting standards.

The company currently only operates mainly in warehousing and logistics services and the only geographical area is Vietnam.

8.3. Post balance sheet events

On 16 January 2023, the People's Committee of Ho Chi Minh City issued Decision No. 163/QĐ-UBND on land recovery under Article 65 of the Land Law for the land area at No. 18F, Tang Nhon Phu Street, Phuoc Long B Ward, Thu Duc City. Accordingly, the decision on the recovery of 32,202 m² of land parcel No. 146 and 2,134m² of land parcel No. 595, map sheet No. 5, cadastral of Phuoc Long Commune, Thu Duc District (according to the new cadastral map of land parcel No. 9, map sheet No. 25, Phuoc Long B ward, District 9). Reason for land recovery: according to Point d, Clause 1, Article 65 of the Land Law (land is allocated or leased by the State for definite periods and such periods expired without extension allowed).

Nam Viet Joint Stock Company is sending a petition to the Ministry of Natural Resources and Environment on decision No. 163/QĐ-UBND dated 16 January 2023 and waiting for a response from the Ministry of Natural Resources and Environment in particular and the relevant industry in general..



TRAN THI MY THANH
Preparer/Chief Accountant



HOANG KIEU PHONG
General Director
Ho Chi Minh City, 21 February 2023

NAVIFICO/ NAM VIET JOINT STOCK COMPANY

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