

COMBINED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2022

AN PHU IRRADIATION
JOINT STOCK COMPANY

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AN PHU IRRADIATION JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of An Phu Irradiation Joint Stock Company (hereinafter referred to as “the Company”) presents this statement together with the Combined Financial Statements for the fiscal year ended 31 December 2022.

Business highlights

An Phu Irradiation Joint Stock Company has been operating in line with:

- The Business Registration Certificate No. 3700480244, registered for the first time on 20 January 2003 and amended for the 15th time on 10 September 2020, granted by Binh Duong Province Department of Planning and Investment.
- The Investment Incentive Certificate No. 73/CN-UB dated 30 June 2003, granted by People's Committee of Binh Duong Province;
- The Investment Registration Certificate (project code) No. 6803760767, certified for the first time on 26 October 2009 and amended for the 2nd time on 16 December 2016, granted by Vinh Long Industrial Zones Authority.
- The Investment Registration Certificate (project code) No. 2530281101, certified for the first time on 23 October 2018, granted by Bac Ninh Industrial Zones Authority.
- The Investment Registration Certificate (project code) No. 7538722580, certified for the first time on 22 November 2019 and amended for the 1st time on 08 December 2021, granted by Board of Management of Saigon Hi-Tech Park.

On 22 January 2010, the Company's shares were listed on Ho Chi Minh Stock Exchange with securities code of APC.

Head office

- Address : No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province.
- Tel. : (0650) 371 3116
- Fax : (0650) 371 2293

The Company has the following affiliates:

Affiliate	Address
An Phu Irradiation Joint Stock Company - Branch 1	Lots C1 and C2, Binh Minh Industrial Park, My Loi Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province
An Phu Irradiation Joint Stock Company - Branch 2	No. 29, Road 9, VSIP Bac Ninh Industrial – Urban – Service Park, Dai Dong Commune, Tien Du District, Bac Ninh Province
An Phu Irradiation Joint Stock Company - Branch 3	Lot E6 - 6, Lot E6 – 7, Road D1, Hi-Tech Park, Long Thanh My Ward, Thu Duc City, Ho Chi Minh City

Principal business activities of the Company are:

- To irradiate and sterilize aquatic products and medical instruments; to irradiate, preserve industrial products and other consumer products;
- To preserve frozen vegetables; To preserve frozen foods;
- To wholesale seafood, meat products, agricultural products of all kinds;
- To produce basic chemicals (not producing at the head office where is only acted as a transaction office);
- To wholesale other chemicals (except for those in Schedule 1 under the International Convention);
- To research and develop irradiation technology applied in the fields of new material technology; nanotechnology, medicine and healthcare.

AN PHU IRRADIATION JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF DIRECTORS (cont.)

Board of Management and Executive Officers

The Board of Management and the Executive Officers of the Company during the year and as of the date of this statement include:

The Board of Management

Full name	Position	Appointing/resigning date
Mr. Vo Thai Son	Chairman	Resigned on 04 May 2022
Mr. Huynh Ngoc Hau	Member	Resigned on 04 May 2022
	Chairman	Appointed on 04 May 2022
Ms. Vo Thuy Duong	Member	Appointed on 24 July 2020
Ms. Huynh Thi Bich Loan	Member	Appointed on 16 March 2018
Ms. Pham Thi Luong	Member	Appointed on 16 March 2018
Mr. Nguyen Ngoc Hoang	Member	Appointed on 03 July 2020

The Audit Committee

Full name	Position	Appointing date
Ms. Huynh Thi Bich Loan	Chairwoman	04 May 2022
Ms. Pham Thi Luong	Member	04 May 2022

The Board of Directors

Full name	Position	Appointing date
Ms. Vo Thuy Duong	General Director	10 February 2015
Mr. Vo Thai Son	Deputy General Director	08 August 2017

Legal representative

The Company's legal representative during the year and as of the date of this statement is Ms. Vo Thuy Duong – General Director (appointed on 10 February 2015).

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Combined Financial Statements for the fiscal year ended 31 December 2022.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for the preparation of the Combined Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Combined Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Combined Financial Statements;
- prepare the Combined Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Combined Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Combined Financial Statements.

AN PHU IRRADIATION JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF DIRECTORS (cont.)

Approval of the Financial Statements

The Board of Directors hereby approves the accompanying Combined Financial Statements, which give a true and fair view of the financial position as of 31 December 2022 of the Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards and System and other regulatory requirements on preparation and presentation of the Combined Financial Statements.

For and on behalf of the Board of Directors,



Võ Thủy Dương
General Director

Date: 14 March 2023



No. 1.0419/23/TC-AC

INDEPENDENT AUDITOR'S REPORT

To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS
AN PHU IRRADIATION JOINT STOCK COMPANY

We have audited the accompanying Combined Financial Statements of An Phu Irradiation Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 10 March 2023 (from page 07 to page 34) including the Combined Balance Sheet as of 31 December 2022, the Combined Income Statement, the Combined Cash Flow Statement for the fiscal year then ended and the Notes to the Combined Financial Statements.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the preparation, true and fair presentation of the Combined Financial Statements in accordance with the Vietnamese Accounting Standards and System as well as other regulatory requirements on preparation and presentation of the Combined Financial Statements; and responsible for the internal control as the Company's Board of Directors determines necessary to enable the preparation and presentation of the Combined Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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

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

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

Opinion of Auditors

In our opinion, the Combined Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2022 of An Phu Irradiation Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards and System and other regulatory requirements on preparation and presentation of Combined Financial Statements.

For and on behalf of

A&C Auditing and Consulting Co., Ltd.



Ly Quốc Trung
Partner

Audit Practice Registration Certificate No. 0099-2023-008-1

Authorized Signatory



Phan Vu Cong Ba
Auditor

Audit Practice Registration Certificate No. 0197-2023-008-1

Ho Chi Minh City, 14 March 2023

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

COMBINED BALANCE SHEET

As of 31 December 2022

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		242.773.700.340	219.810.086.573
I. Cash and cash equivalents	110	V.1	4.528.433.207	18.971.112.990
1. Cash	111		4.528.433.207	8.567.670.014
2. Cash equivalents	112		-	10.403.442.976
II. Short-term financial investments	120		103.962.571.695	107.090.272.672
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2	103.962.571.695	107.090.272.672
III. Short-term receivables	130		129.614.648.206	89.546.532.366
1. Short-term trade receivables	131	V.3	23.293.714.501	24.827.439.608
2. Short-term prepayments to suppliers	132	V.4	115.523.367.359	72.347.861.750
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5a	672.874.041	1.537.104.744
7. Allowance for short-term doubtful debts	137	V.6	(9.875.307.695)	(9.165.873.736)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		562.266.698	63.628.680
1. Inventories	141		562.266.698	63.628.680
2. Allowance for inventories	149		-	-
V. Other current assets	150		4.105.780.534	4.138.539.865
1. Short-term prepaid expenses	151	V.7a	1.185.034.524	656.146.669
2. Deductible VAT	152		406.238.563	967.885.749
3. Taxes and other receivables from the State	153	V.13	2.514.507.447	2.514.507.447
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		731.144.840.479	780.039.861.019
I. Long-term receivables	210		10.348.350.000	10.348.350.000
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	10.348.350.000	10.348.350.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		647.653.495.034	693.782.086.770
1. Tangible fixed assets	221	V.8	621.952.344.337	665.981.927.187
- Historical cost	222		856.487.087.428	854.557.406.771
- Accumulated depreciation	223		(234.534.743.091)	(188.575.479.584)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.9	25.701.150.697	27.800.159.583
- Initial cost	228		40.565.943.633	40.565.943.633
- Accumulated amortization	229		(14.864.792.936)	(12.765.784.050)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		2.416.605.041	202.895.000
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.10	2.416.605.041	202.895.000
V. Long-term financial investments	250		-	-
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		70.726.390.404	75.706.529.249
1. Long-term prepaid expenses	261	V.7b	70.726.390.404	75.706.529.249
2. Deferred income tax assets	262	V.11	-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		973.918.540.819	999.849.947.592

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		347.668.563.855	364.592.879.073
I. Current liabilities	310		87.491.454.973	43.215.770.191
1. Short-term trade payables	311	V.12	7.528.544.058	7.261.026.782
2. Short-term advances from customers	312		165.107.374	353.829.680
3. Taxes and other obligations to the State Budget	313	V.13	433.599.506	882.317.817
4. Payables to employees	314	V.14	1.620.031.564	3.373.162.937
5. Short-term accrued expenses	315	V.15	2.055.295.769	1.861.027.768
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.16	1.229.584.022	979.612.527
10. Short-term borrowings and financial leases	320	V.17a	61.200.000.000	15.200.000.000
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.18	13.259.292.680	13.304.792.680
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		260.177.108.882	321.377.108.882
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.17b	260.177.108.882	321.377.108.882
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-



18/12/2022
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AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		626.249.976.964	635.257.068.519
I. Owner's equity	410		626.249.976.964	635.257.068.519
1. Capital	411	V.19	201.213.950.000	201.213.950.000
- Ordinary shares carrying voting rights	411a		201.213.950.000	201.213.950.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.19	121.440.570.454	121.440.570.454
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415	V.19	(2.163.700.000)	(2.163.700.000)
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.19	9.269.234.725	9.269.234.725
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.19	296.489.921.785	305.497.013.340
- Retained earnings accumulated to the end of the previous period	421a		305.497.013.340	305.497.013.340
- Retained loss of the current period	421b		(9.007.091.555)	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		973.918.540.819	999.849.947.592


Phan Thi Loi
Preparer

Nguyen Thi Tuyet Nhung
Chief Accountant

Binh Duong, 10 March 2023

Vo Thuy Duong
General Director

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

COMBINED INCOME STATEMENT

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	135.739.780.744	128.544.187.669
2. Sales deductions	02		-	-
3. Net sales	10		135.739.780.744	128.544.187.669
4. Cost of sales	11	VI.2	90.846.764.698	83.203.906.521
5. Gross profit	20		44.893.016.046	45.340.281.148
6. Financial income	21	VI.3	5.567.647.527	6.857.940.542
7. Financial expenses	22	VI.4	26.330.647.668	20.580.771.778
In which: Loan interest expenses	23		26.008.900.412	20.566.928.028
8. Selling expenses	25	VI.5	5.885.626.283	5.428.747.780
9. General and administration expenses	26	VI.6	27.250.138.940	27.721.279.283
10. Net operating profit/(loss)	30		(9.005.749.318)	(1.532.577.151)
11. Other income	31		1.556.178	887.115
12. Other expenses	32		2.898.415	63.580.179
13. Other profit/(loss)	40		(1.342.237)	(62.693.064)
14. Total accounting profit/(loss) before tax	50		(9.007.091.555)	(1.595.270.215)
15. Current income tax	51	V.13	-	-
16. Deferred income tax	52		-	-
17. Profit/(loss) after tax	60		(9.007.091.555)	(1.595.270.215)
18. Basic earnings per share	70	VI.7	(453)	(80)
19. Diluted earnings per share	71	VI.7	(453)	(80)


Phan Thi Loi
Preparer

Nguyen Thi Tuyet Nhung
Chief Accountant

Vo Thuy Duong
General Director

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

COMBINED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2022

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/(loss) before tax	01		(9,007,091,555)	(1,595,270,215)
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.8; V.9	48,058,272,393	41,416,211,102
- Provisions and allowances	03	V.6	709,433,959	3,524,706,713
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04	VI.3	(82,838,813)	(86,870,946)
- Gain/(loss) from investing activities	05	VI.3	(5,412,390,395)	(6,749,480,723)
- Interest expenses	06	VI.4	26,008,900,412	20,566,928,028
- Others	07		-	-
3. Operating profit before changes of working capital	08		60,274,286,001	57,076,223,959
- Increase/(decrease) of receivables	09		2,386,833,921	(69,608,560,918)
- Increase/(decrease) of inventories	10		(498,638,018)	(22,087,554)
- Increase/(decrease) of payables	11		(1,820,099,340)	(3,242,133,872)
- Increase/(decrease) of prepaid expenses	12		4,451,250,990	9,643,489,439
- Increase/(decrease) of trading securities	13		-	-
- Interests paid	14	V.15; VI.4	(25,784,162,276)	(20,423,075,903)
- Corporate income tax paid	15		-	(3,435,114,485)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.18	(45,500,000)	(1,596,500,000)
Net cash flows from operating activities	20		38,963,971,278	(31,607,759,334)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.8 V.10; VII	(47,637,457,935)	(9,872,664,259)
2. Proceeds from disposals of fixed assets and other non-current assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2	(146,246,303,732)	(77,162,241,326)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2	149,374,004,709	52,647,968,654
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.5; VI.3	6,303,721,098	6,737,559,591
Net cash flows from investing activities	30		(38,206,035,860)	(27,649,377,340)

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

Combined Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayment for loan principal	34	V.17	(15.200.000.000)	-
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36		-	-
<i>Net cash flows from financing activities</i>	40		<u>(15.200.000.000)</u>	<u>-</u>
Net cash flows during the year	50		(14.442.064.582)	(59.257.136.674)
Beginning cash and cash equivalents	60	V.1	18.971.112.990	78.228.249.664
Effects of fluctuations in foreign exchange rates	61		(615.201)	-
Ending cash and cash equivalents	70	V.1	<u>4.528.433.207</u>	<u>18.971.112.990</u>


Phan Thi Loi
Preparer

Nguyen Thi Tuyet Nhung
Chief Accountant

Binh Duong, 10 March 2023



Võ Thụy Dương
General Director

AN PHU IRRADIATION JOINT STOCK COMPANY

Address: No. 119A/2, Group 4, Quarter 1B, An Phu Ward, Thuan An City, Binh Duong Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2022

I. GENERAL INFORMATION

1. Ownership form

An Phu Irradiation Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company.

2. Operating field

Operating field of the Company is servicing.

3. Principal business activities

Principal business activities of the Company are to irradiate and sterilize aquatic products and medical instruments; to irradiate, preserve industrial products and other consumer products; to preserve frozen vegetables; to preserve frozen foods.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

7. Structure of the Company

Affiliates which are not legal entities and cannot do accounting works independently

Affiliates	Address
An Phu Irradiation Joint Stock Company – Branch 1	Lots C1 and C2, Binh Minh Industrial Park, My Loi Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province
An Phu Irradiation Joint Stock Company – Branch 2	No. 29, Road 9, VSIP Bac Ninh Industrial – Urban – Service Park, Dai Dong Commune, Tien Du District, Bac Ninh Province
An Phu Irradiation Joint Stock Company – Branch 3	Lot E6 - 6, Lot E6 - 7, Road D1, Hi-Tech Park, Long Thanh My Ward, Thu Duc City, Ho Chi Minh City

8. Statement of information comparability on the Combined Financial Statements

The corresponding figures in the previous year can be comparable with figures in the current year.

9. Headcount

As of the balance sheet date, the Company's headcount is 233 (headcount at the beginning of the year: 215).

II. ACCOUNTING STANDARDS AND SYSTEM

1. Fiscal year

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

2. Accounting currency unit

The accounting currency unit is Vietnamese Dong (VND) because the transactions of the Company are primarily made in VND.

AN PHU IRRADIATION JOINT STOCK COMPANY

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Notes to the Combined Financial Statements (cont.)

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 as well as the Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Combined Financial Statements.

2. Statement of the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Combined Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Combined Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Company and the bank.
- For capital contribution made or received: the buying rate ruling as at the date of capital contribution of the bank where the Company opens its account to receive contributed capital.
- For receivables: the buying rate ruling as at the time of transactions of the commercial bank where the Company designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transactions of the commercial bank where the Company supposes to make payment.
- For acquisition of assets or immediate payments in foreign currency (not included into payables): the buying rate of the commercial bank where the Company makes payments.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Company opens its foreign currency account.

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- For monetary items in foreign currencies classified as other assets: the buying rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – South Binh Duong Branch where the Company frequently conducts transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – South Binh Duong Branch where the Company frequently conducts transactions.

3. Cash and cash equivalents

Cash includes cash on hand and demand deposits in banks. Cash equivalents consist of short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the recording date.

4. Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchase at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Company's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the year while the investment value is derecognized.

5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for overdue debts:
 - 30% of the value of debts overdue between 6 months and less than 1 year.
 - 50% of the value of debts overdue between 1 year and less than 2 years.
 - 70% of the value of debts overdue between 2 years and less than 3 years.
 - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

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Notes to the Combined Financial Statements (cont.)

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

The Company's inventories include tools only. Costs of inventories comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Company mainly include tools, land rental and expenses for irradiation sources. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

Tools

Expenses of tools are allocated into expenses in accordance with the straight-line method for the maximum period of 3 years.

Land rental

Prepaid land rental reflects the rental prepaid for the land at VSIP Bac Ninh being used by the Company and is allocated into expenses in accordance with the straight-line method over the lease term (i.e. 40 years).

Expenses for irradiation sources

Expenses for irradiation sources reflects the total amount paid for purchase of irradiation sources and are allocated into operation results during the period over the half-life of the radioactive isotope Cobalt 60 according to the following formula: $N(T) = N_0 \times (e^{-(\ln(2)/(5,272 \times T))})$. The half-life of the radioactive isotope Cobalt 60 is 5,2716 years.

8. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Company's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

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Notes to the Combined Financial Statements (cont.)

9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied is as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	03 – 35
Machinery and equipment	03 – 15
Vehicles	05 – 12
Office equipment	03 - 10

10. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Company's intangible fixed assets include:

Land use right

The land use right leased before the effective date of the Law on Land 2003 that the Company has paid rental for the entire lease term or prepaid rental for many years and the remaining prepaid lease period is at least 5 years and having been granted the land use right certificate by competent authority is amortized in accordance with the straight-line method over the lease period (i.e. 20 - 47 years).

Computer software

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 2 - 5 years.

11. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Company) directly related to assets under construction and machinery and equipment under installation to serve for production, leasing, and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.

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Notes to the Combined Financial Statements (cont.)

12. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Combined Balance Sheet on the basis of their remaining term as of the balance sheet date.

13. Owner's equity

Capital

Capital is recorded according to the actual amounts invested by shareholders.

Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in "Share premiums".

14. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders.

15. Recognition of sales and income

Sales of service provision

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.

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- The Company received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the volume of work done as of the balance sheet date.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

16. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

17. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

18. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

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Notes to the Combined Financial Statements (cont.)

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Combined Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

19. Related parties

A party is 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 the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

20. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Combined Financial Statements of the Company.

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Notes to the Combined Financial Statements (cont.)**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	527.626.395	148.677.342
Demand deposits in banks	4.000.806.812	8.418.992.672
Cash equivalents - Bank deposits of which the principal maturity is within 3 months	-	10.403.442.976
Total	<u>4.528.433.207</u>	<u>18.971.112.990</u>

2. Held-to-maturity investments

	<u>Ending balance</u>	<u>Beginning balance</u>
6-month bank deposits	103.962.571.695	107.090.272.672
Total	<u>103.962.571.695</u>	<u>107.090.272.672</u>

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
Quoc Viet Seaproducts Processing Trading & Import-Export Corporation	5.849.353.705	5.849.353.705
Lan Anh Binh Duong One Member Company Limited	2.890.865.155	1.167.765.376
Other customers	14.553.495.641	17.810.320.527
Total	<u>23.293.714.501</u>	<u>24.827.439.608</u>

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related party</i>	<i>70.000.000.000</i>	<i>70.000.000.000</i>
Thai Son Company Limited	70.000.000.000	70.000.000.000
<i>Prepayments to other suppliers</i>	<i>46.138.925.322</i>	<i>2.347.861.750</i>
Corpex Asia Ltd.,	15.928.489.194	997.289.194
Other suppliers	29.594.878.165	1.350.572.556
Total	<u>115.523.367.359</u>	<u>72.347.861.750</u>

5. Other receivables**5a. Other short-term receivables**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Allowance</u>	<u>Value</u>	<u>Allowance</u>
Short-term mortgages, deposits	11.200.000	-	9.200.000	-
Interest to be received	636.574.041	-	1.527.904.744	-
Other short-term receivables	25.100.000	-	-	-
Total	<u>672.874.041</u>	<u>-</u>	<u>1.537.104.744</u>	<u>-</u>

5b. Other long-term receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Allowance</u>	<u>Value</u>	<u>Allowance</u>
Long-term mortgages, deposits	10.348.350.000	-	10.348.350.000	-
Total	<u>10.348.350.000</u>	<u>-</u>	<u>10.348.350.000</u>	<u>-</u>

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6. Doubtful debts

	Ending balance		Beginning balance	
	Overdue period	Original amount Recoverable amount	Overdue period	Original amount Recoverable amount
Quoc Viet Seaproducts Processing Trading & Import-Export Corporation		5.849.353.705 257.955.000		5.849.353.705 820.811.528
	<i>From 1 year to less than 2 years</i>	-	<i>From 1 year to less than 2 years</i>	859.850.000 429.924.998
	<i>From 2 years to less than 3 years</i>	859.850.000 257.955.000	<i>From 2 years to less than 3 years</i>	1.302.955.088 390.886.530
	<i>3 years or more</i>	4.989.503.705 -	<i>3 years or more</i>	3.686.548.617 -
Other organizations and individuals		4.526.446.716 242.537.726		4.310.543.037 173.211.478
	<i>From 6 months to less than 1 year</i>	141.060.389 98.742.273	<i>From 6 months to less than 1 year</i>	83.494.419 58.446.097
	<i>From 1 year to less than 2 years</i>	154.105.327 77.052.658	<i>From 1 year to less than 2 years</i>	209.311.340 104.655.670
	<i>From 2 years to less than 3 years</i>	222.475.996 66.742.795	<i>From 2 years to less than 3 years</i>	33.699.039 10.109.711
	<i>3 years or more</i>	4.008.805.004 -	<i>3 years or more</i>	3.984.038.239 -
Total		10.375.800.421 500.492.726		10.159.896.742 994.023.006

Fluctuations in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	9.165.873.736	5.641.167.023
Additional extraction	709.433.959	3.524.706.713
Ending balance	9.875.307.695	9.165.873.736

7. Prepaid expenses

7a. Short-term prepaid expenses

	Ending balance	Beginning balance
Tools	70.086.418	438.856.035
Insurance premiums	376.794.176	15.060.967
Repair expenses	251.689.282	-
Other short-term prepaid expenses	486.464.648	202.229.667
Total	1.185.034.524	656.146.669

7b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	2.006.945.410	2.230.932.290
Land rental ⁽ⁱ⁾	29.358.564.157	30.199.382.221
Expenses for irradiation sources	37.539.749.058	42.814.525.648
Other long-term prepaid expenses	1.821.131.779	461.689.090
Total	70.726.390.404	75.706.529.249

⁽ⁱ⁾ The right to use land at VSIP Bac Ninh has been mortgaged to secure the loans from Vietcombank – South Binh Duong Branch (see Note No. V.17).

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Notes to the Combined Financial Statements (cont.)**8. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	301.661.685.339	523.686.909.097	28.333.666.864	875.145.471	854.557.406.771
Acquisition during the year	-	1.929.680.657	-	-	1.929.680.657
Ending balance	301.661.685.339	525.616.589.754	28.333.666.864	875.145.471	856.487.087.428
<i>In which:</i>					
Assets fully depreciated but still in use	51.955.026.141	39.179.511.261	12.975.098.773	460.152.972	104.569.789.147
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	92.643.691.502	77.433.174.219	17.812.560.429	686.053.434	188.575.479.584
Depreciation during the year	11.005.531.754	33.123.396.070	1.748.349.528	81.986.155	45.959.263.507
Ending balance	103.649.223.256	110.556.570.289	19.560.909.957	768.039.589	234.534.743.091
Net book values					
Beginning balance	209.017.993.837	446.253.734.878	10.521.106.435	189.092.037	665.981.927.187
Ending balance	198.012.462.083	415.060.019.465	8.772.756.907	107.105.882	621.952.344.337
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

Some tangible fixed assets, of which the net book values are VND 543.873.899.573, have been mortgaged to secure the loans from Vietcombank – South Binh Duong Branch (see Note No. V.17).

9. Intangible fixed assets

	Land use right	Computer software	Total
Initial costs			
Beginning balance	35.063.900.737	5.502.042.896	40.565.943.633
Ending balance	35.063.900.737	5.502.042.896	40.565.943.633
<i>In which:</i>			
Assets fully amortized but still in use	-	-	-
Amortization			
Beginning balance	11.147.068.740	1.618.715.310	12.765.784.050
Amortization during the year	976.815.792	1.122.193.094	2.099.008.886
Ending balance	12.123.884.532	2.740.908.404	14.864.792.936
Net book values			
Beginning balance	23.916.831.997	3.883.327.586	27.800.159.583
Ending balance	22.940.016.205	2.761.134.492	25.701.150.697
<i>In which:</i>			
Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

All of the Company's land use rights have been mortgaged to secure the loans from Vietcombank – South Binh Duong Branch (see Note No. V.17).

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Notes to the Combined Financial Statements (cont.)**10. Construction-in-progress**

	Beginning balance	Increase during the year	Ending balance
Acquisition of fixed assets	-	84.272.730	84.272.730
Construction-in-progress	202.895.000	2.129.437.311	2.332.332.311
- Bac Ninh Irradiation Plant project	202.895.000	50.400.000	253.295.000
- Office project in Ho Chi Minh City	-	2.079.037.311	2.079.037.311
Total	202.895.000	2.213.710.041	2.416.605.041

11. Deferred income tax assets

The Company has not recognized deferred income tax assets for following items:

	Ending balance	Beginning balance
Loan interest ⁽ⁱ⁾	2.651.107.266	-
Taxable loss ⁽ⁱⁱ⁾	1.277.320.819	269.081.777
Total	3.928.428.085	269.081.777

- (i) In accordance with the Government's Decree No. 132/2020/NĐ-CP dated 05 November 2020, from the tax period of 2019 onwards, the non-deductible loan interest is carried forward to the next tax period for the determination of total deductible loan interest if the actually incurred loan interest in the next tax period is lower than the amount of prescribed deductible loan interest. The loan interest may be carried forward for a maximum consecutive period of 05 years, counting from the year following the year of incurring non-deductible loan interest. Deferred income tax assets are not recognized since there is little possibility on the availability of taxable income in the future on use of such loan interest.

- (ii) Details of unrecognized taxable loss are as follows:

2021	269.081.777
2022	1.008.239.042
Total	1.277.320.819

According to the current Law on Corporate Income Tax, the loss of any tax year is brought forward to offset against the profit of the following years for the maximum period of 5 years from year after the loss suffering year. Deferred income tax assets are not recognized for these accounts since there is little possibility on the availability of taxable income in the future against which these accounts can be used.

12. Short-term trade payables

	Ending balance	Beginning balance
Hoang Quan Mekong Corporation (*)	7.072.727.687	6.840.227.240
Other suppliers	455.816.371	420.799.542
Total	7.528.544.058	7.261.026.782

- (*) The trade payables to Hoang Quan Mekong Corporation have been overdue because this partner has not fulfilled the obligations specified in the contract.

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Notes to the Combined Financial Statements (cont.)**13. Taxes and other obligations to the State Budget**

	Beginning balance		Increase during the year		Ending balance	
	Payables	Receivables	Amount payable	Amount paid	Payables	Receivables
VAT on local sales	822.915.870	-	5.948.153.327	(6.439.178.880)	331.890.317	-
VAT on imports	-	-	28.126.052	(28.126.052)	-	-
Corporate income tax	-	2.514.507.447	-	-	-	2.514.507.447
Personal income tax	59.401.947	-	1.039.744.211	(997.436.969)	101.709.189	-
Land rental	-	-	450.600.240	(450.600.240)	-	-
Other taxes	-	-	6.000.000	(6.000.000)	-	-
Fees, legal fees and other duties	-	-	4.975.000	(4.975.000)	-	-
Total	882.317.817	2.514.507.447	7.477.598.830	(7.926.317.141)	433.599.506	2.514.507.447

Value added tax (VAT)

The Company has paid VAT in accordance with the deduction method. The tax rates applied to exports and local sales are 0% and 10% respectively.

Export-import duties

The Company has declared and paid these duties in line with the Customs' notices.

Corporate income tax

The Company has to pay corporate income tax on taxable income at the rate of 20%.

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit/(loss) before tax	(9.007.091.555)	(1.595.270.215)
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- Non-deductible loan interest ⁽ⁱ⁾	2.651.107.266	-
- Other increases	5.347.745.247	1.326.188.438
- Decreases	-	-
Income subject to tax	(1.008.239.042)	(269.081.777)
Corporate income tax rate	20%	20%
Corporate income tax payable	-	-

- (i) This non-deductible loan interest is brought forward to the next taxable period for the determination of total loan interest deductible if actually incurred loan interest in the next taxable period is lower than the amount of prescribed deductible loan interest. The loan interest may be brought forward for a maximum consecutive period of 5 years, starting from the year following the year of incurring non-deductible loan interest.

Determination of corporate income tax liability of the Company is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Combined Financial Statements can be changed upon the inspection of tax authorities.

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Notes to the Combined Financial Statements (cont.)**Land rental**

The Company has declared and paid land rental according to the notices of Investment and Construction Project Authority of Saigon Hi-Tech Park.

Other taxes

The Company has declared and paid these taxes in line with the prevailing regulations.

14. Payables to employees

This item reflects salary and bonus payable to employees.

15. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Brokerage commission	336.998.294	559.681.429
Infrastructure maintenance and operation expenses	1.205.855.071	1.013.642.071
Loan interest expenses	512.442.404	287.704.268
Total	2.055.295.769	1.861.027.768

16. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's expenditure	952.605.890	645.235.090
Dividends payable	236.593.375	236.593.375
Other short-term payables	40.384.757	97.784.062
Total	1.229.584.022	979.612.527

The Company has no other overdue payables.

17. Borrowings and financial leases**17a. Short-term borrowings**

This item reflects current portions of long-term loan from Vietcombank – South Binh Duong Branch.

The Company is solvent over short-term loans.

Details of increases/(decreases) of short-term borrowings are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	15.200.000.000	-
Transfer from long-term loans	61.200.000.000	15.200.000.000
Amount repaid	(15.200.000.000)	-
Ending balance	61.200.000.000	15.200.000.000

17b. Long-term borrowings

The loan from Vietcombank – South Binh Duong Branch is to prematurely repay the loan from MB Bank – An Phu Branch to implement “the Investment Project of An Phu Irradiation Plant in Bac Ninh Province”. The maximum loan term is 78 months, but no later than 07 June 2027. The loan interest rate is fixed for the first 2 years, starting from the date of the first loan disbursement and then it is adjusted according to market interest rate. This loan is secured by:

- Assets attached to land lot No. 200, Cadastral Map No. 9 for an area of 14.279,41 m² located at An Phu Ward, Thuan An City, Binh Duong Province under the Contract No. 131/AP-VCB/HĐTC/2020 on mortgaging land-attached assets;

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Notes to the Combined Financial Statements (cont.)

- Assets attached to land lot No. 02, Map No. 58 for an area of 27.095,5 m² located at My Loi Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province under the Contract No. 132/AP-VCB/HĐTC/2020 on mortgaging land-attached assets;
- Assets attached to land under the construction and investment project of "An Phu Irradiation Plant" located at VSIP Bac Ninh Industrial – Urban – Service Park, Dai Dong Commune, Tien Du District, Bac Ninh Province under the Contract No. 133/AP-VCB/HĐTC/2020 on mortgaging land-attached assets formed in the future;
- Machinery, equipment under the Mortgage Contracts No. 134/AP-VCB/HĐTC/2020 and No. 135/AP-VCB/HĐTC/2020;
- Right to use the assets and the benefits arising from the contract regarding the land lot No. 200, Cadastral Map No. 9 for an area of 14.279,41 m² located at An Phu Ward, Thuan An City, Binh Duong Province under the Mortgage Contract No. 136/AP-VCB/HĐTC/2020;
- Right to use the assets and the benefits arising from the contract regarding the land lot No. 2, Map No. 58 for an area of 27.095,5 m² located at My Loi Hamlet, My Hoa Commune, Binh Minh Town, Vinh Long Province under the Mortgage Contract No. 137/AP-VCB/HĐTC/2020;
- Right to use the assets and the benefits arising from the contract regarding the land lot No. 9, Map No. 29 for an area of 15.000,00 m² located at Dai Dong Commune, Tien Du District, Bac Ninh Province under the Mortgage Contract No. 138/AP-VCB/HĐTC/2020.

The Company is solvent over long-term loans.

Repayment schedule of long-term borrowings is as follows:

	Ending balance	Beginning balance
1 year or less	61.200.000.000	15.200.000.000
More than 1 year to 5 years	260.177.108.882	284.400.000.000
More than 5 years	-	36.977.108.882
Total	321.377.108.882	336.577.108.882

Details of increases/(decreases) of long-term borrowings are as follows:

	Current year	Previous year
Beginning balance	321.377.108.882	336.577.108.882
Transfer to short-term loans	(61.200.000.000)	(15.200.000.000)
Ending balance	260.177.108.882	321.377.108.882

17c. Overdue borrowings

The Company has no overdue loans.

18. Bonus and welfare funds

	Current year	Previous year
Beginning balance	13.304.792.680	11.711.038.103
Increase due to appropriation from profit	-	3.190.254.577
Disbursement	(45.500.000)	(1.596.500.000)
Ending balance	13.259.292.680	13.304.792.680

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Notes to the Combined Financial Statements (cont.)

19. Owner's equity

19a. Statement of fluctuations in owner's equity

Information on the fluctuations in owner's equity is presented in the attached Appendix.

19b. Details of capital contribution of the owners

	<u>Ending balance</u>	<u>Beginning balance</u>
Ms. Vo Thuy Duong	80.529.200.000	80.529.200.000
Thai Son Company Limited	44.596.540.000	44.596.540.000
Torus Capital Investments Pte. Ltd.	28.707.200.000	28.707.200.000
Mr. Vo Thai Son	8.000.000.000	8.000.000.000
Treasury shares	2.163.700.000	2.163.700.000
Other shareholders	37.217.310.000	37.217.310.000
Total	201.213.950.000	201.213.950.000

The Resolution No. 01/NQ-DHDCD-API dated 25 June 2021 of the Annual General Meeting of Shareholders approved the plan on issuance of shares to existing shareholders as follows:

- Types of shares: common shares
- Face value: VND 10.000/share
- Expected number of shares to be offered: 19.905.025 shares
- Offering price: The Board of Management is authorized to decide the price
- Estimated time of offer: In the 4th quarter of 2021
- Principle of determining the offer price: based on the net book value as at 31 December 2020 (in the audited Combined Financial Statements for the year 2020) and the market situation as at the time of offering.
- Execution rate: 1:1. The number of shares each shareholder is entitled to purchase shall be rounded to the nearest unit
- Offering purpose and plan on use of capital: Total amount gained from the share issuance will be used to invest in An Phu Irradiation Research and Application Center (APIRA) and supplement working capital.

Due to the impact of the Covid-19 pandemic, the implementation of the investment project has been delayed, the Company's capital mobilization accordingly has been adjusted on the basis of the project schedule (i.e. changed from the 3rd quarter of 2023 to the 4th quarter of 2024).

19c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	20.121.395	20.121.395
Number of shares sold to the public	20.121.395	20.121.395
- Common shares	20.121.395	20.121.395
- Preferred shares	-	-
Number of shares repurchased	(216.370)	(216.370)
- Common shares	(216.370)	(216.370)
- Preferred shares	-	-
Number of outstanding shares	19.905.025	19.905.025
- Common shares	19.905.025	19.905.025
- Preferred shares	-	-

Face value of outstanding shares: VND 10.000.

20. Off-balance sheet items

Foreign currencies

As of the balance sheet date, cash includes USD 2.650,68 (beginning balance: USD 2.663,88).

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Notes to the Combined Financial Statements (cont.)**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED INCOME STATEMENT****1. Sales****1a. Gross sales**

	Current year	Previous year
Sales of service provisions	133,584.743.991	128.536.016.760
Others	2.155.036.753	8.170.909
Total	135.739.780.744	128.544.187.669

1b. Sales to related parties

During the year, the Company only provided services to Thai Son Company Limited for an amount of VND 1.548.118.371 (previous year: VND 534.942.091).

2. Costs of sales

	Current year	Previous year
Costs of services provided	90.846.764.698	83.191.536.021
Others	-	12.370.500
Total	90.846.764.698	83.203.906.521

3. Financial income

	Current year	Previous year
Term deposit interests	5.412.390.395	6.749.480.723
Demand deposit interests	72.418.319	21.588.873
Exchange gain due to the revaluation of monetary items in foreign currencies	82.838.813	86.870.946
Total	5.567.647.527	6.857.940.542

4. Financial expenses

	Current year	Previous year
Loan interest expenses	26.008.900.412	20.566.928.028
Exchange loss arising	321.747.256	13.843.750
Total	26.330.647.668	20.580.771.778

5. Selling expenses

	Current year	Previous year
Expenses for employees	2.780.433.796	2.685.938.062
Tools, supplies	10.389.396	44.233.341
Commission expenses	3.027.927.291	2.670.201.832
Other expenses	66.875.800	28.374.545
Total	5.885.626.283	5.428.747.780

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Notes to the Combined Financial Statements (cont.)**6. General and administration expenses**

	Current year	Previous year
Staff costs	12.750.858.669	11.816.541.807
Office stationery	522.410.692	1.399.475.313
Depreciation/(amortization) of fixed assets	2.994.223.516	2.958.043.770
Taxes, fees and legal fees	6.000.000	6.000.000
Allowance for doubtful debts	709.433.959	3.524.706.713
External services rendered	2.051.948.794	4.218.705.181
Other expenses	8.215.263.310	3.797.806.499
Total	27.250.138.940	27.721.279.283

7. Earnings per share**7a. Basic/diluted earnings per share**

	Current year	Previous year
Accounting profit/(loss) after corporate income tax	(9.007.091.555)	(1.595.270.215)
Appropriation for bonus and welfare funds	-	-
Profit/(loss) used to calculate basic/diluted earnings per share	(9.007.091.555)	(1.595.270.215)
The average number of ordinary shares outstanding during the year	19.905.025	19.905.025
Basic/diluted earnings per share	(453)	(80)

7b. Other information

There are no transactions over the common share or potential common share from the balance sheet date until the date of these Combined Financial Statements.

8. Operating costs

	Current year	Previous year
Materials and supplies	9.289.334.045	13.914.096.328
Labor costs	36.587.818.164	34.219.052.407
Depreciation/(amortization) of fixed assets	48.058.272.393	41.416.211.102
External services rendered	17.110.205.149	16.629.838.158
Other expenses	12.936.900.170	10.174.735.589
Total	123.982.529.921	116.353.933.584

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED CASH FLOW STATEMENT

As of the balance sheet date, balances related to acquisition of fixed assets are as follows:

	Ending balance	Beginning balance
Advance for acquisition of fixed assets	45.184.555.631	1.690.488.394
Payables for acquisition of fixed assets	132.134.088	-

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Notes to the Combined Financial Statements (cont.)

VII. OTHER DISCLOSURES

1. Transactions and balances with related parties

The Company's related parties include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The Company's key managers include the Board of Management and the Board of Directors. The key managers' related individuals are their close family members.

Transactions with the key managers and their related individuals

The Company has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

Receivables from and payables to the key managers and their related individuals

The Company has no receivables from and payables to the key managers and their related individuals.

Income of the key managers

Full name	Position	Current year	Previous year
Ms. Vo Thuy Duong	Member cum General Director	1.610.508.762	1.692.192.500
Mr. Vo Thai Son	Chairman cum Deputy General Director	1.274.538.420	1.333.517.500
Mr. Huynh Ngoc Hau	Member	183.806.452	172.000.000
Ms. Huynh Thi Bich Loan	Member cum Chairwoman of Internal Audit Committee	168.000.000	172.000.000
Ms. Pham Thi Luong	Member	168.000.000	172.000.000
Mr. Nguyen Ngoc Hoang	Admin Manager	144.000.000	148.000.000
Total		3.548.853.634	3.689.710.000

1b. Transactions and balances with other related parties

Another related party of the Company only includes Thai Son Company Limited which is a major shareholder.

Transactions with another related party

Apart from sales of goods and service provisions to related parties presented in Note No. VI.1b, the Company only purchased services with Thai Son Company Limited as follows:

	Current year	Previous year
Purchase of services	2.099.324.494	244.137.257
Advance for purchase of irradiation sources	-	70.000.000.000

The prices of merchandises and services supplied to another related party are market prices. The purchases of merchandises and services from another related party are done at the market prices.

Receivables from and payables to another related parties

Receivables from and payables to another related party are presented in Note No. V.4.

The receivables from another related party are unsecured and will be paid in cash. No allowances have been made for the receivables from another related party.

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Notes to the Combined Financial Statements (cont.)

2. Segment information

The Company's principal business activities are to provide services of irradiation, sterilization, storage and preservation of products. These services have no differences in terms of risks and economic benefits.

The Company's services are provided to customers in Binh Duong Province, Ho Chi Minh City, Mekong River Delta and Northern provinces through the Company's Head Office and branches. These markets also have no differences in terms of risks and economic benefits.

3. Subsequent events

There are no material subsequent events which are required adjustments or disclosures in the Combined Financial Statements.



Phan Thi Loi
Preparer



Nguyen Thi Tuyet Nhung
Chief Accountant



Vo Thuy Duong
General Director

AN PHU IRRADIATION JOINT STOCK COMPANY

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Appendix: Statement of fluctuations in owner's equity

Unit: VND

	Capital	Share premiums	Treasury stocks	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	201.213.950.000	121.440.570.454	- 2.163.700.000	9.269.234.725	310.282.538.132	640.042.593.311
Profit/(loss) in the previous year	-	-	-	-	(1.595.270.215)	(1.595.270.215)
Distribution of dividends, profit in the previous year	-	-	-	-	(3.190.254.577)	(3.190.254.577)
Ending balance of the previous year	201.213.950.000	121.440.570.454	- 2.163.700.000	9.269.234.725	305.497.013.340	635.257.068.519
Beginning balance of the current year	201.213.950.000	121.440.570.454	- 2.163.700.000	9.269.234.725	305.497.013.340	635.257.068.519
Profit/(loss) in the current year	-	-	-	-	(9.007.091.555)	(9.007.091.555)
Ending balance of the current year	201.213.950.000	121.440.570.454	- 2.163.700.000	9.269.234.725	296.489.921.785	626.249.976.964

Phan Thi Loi
Preparer

Nguyen Thi Tuyet Nhung
Chief Accountant



Vo Thy Duong
General Director

