



PEARL GLOBAL VIETNAM CO., LTD.
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 March 2023

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11/5/2018

PEARL GLOBAL VIETNAM CO., LTD.

STATEMENT OF THE GENERAL DIRECTOR

The General Director of Pearl Global Vietnam Co., Ltd. (the "Company") presents this report together with the Company's financial statements for the year ended 31 March 2023.

THE GENERAL DIRECTOR

The General Director of the Company during the year and to the date of this report is as follows:

Mr. Gurusankar Gurumoorthy General Director

GENERAL DIRECTOR'S STATEMENT OF RESPONSIBILITY

The General Director of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 March 2023, 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 financial reporting. In preparing these financial statements, the 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 principles 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 and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The General Director is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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



Gurusankar Gurumoorthy
General Director

05 May 2023

No.: 1071 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: The General Director of Pearl Global Vietnam Co., Ltd.

We have audited the accompanying financial statements of Pearl Global Vietnam Co., Ltd. (the "Company"), prepared on 05 May 2023 as set out from page 04 to page 25, which comprise the balance sheet as at 31 March 2023, the statement of income, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

General Director's Responsibility for the Financial Statements

The General Director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the General Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, 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 financial reporting.



Khúc Thị Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2023-001-1

A blue ink signature of the Auditor, Nguyen Thi Thuan.

Nguyen Thi Thuan
Auditor
Audit Practising Registration Certificate
No. 5798-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

05 May 2023
Hanoi, S.R. Vietnam

BALANCE SHEET

As at 31 March 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		643,358,247,519	526,592,023,927
I. Cash	110		1,812,313,413	18,160,216,829
1. Cash	111	4	1,812,313,413	18,160,216,829
II. Short-term financial investments	120		850,000,000	-
1. Held-to-maturity investments	123		850,000,000	-
III. Short-term receivables	130		138,356,571,508	214,182,313,565
1. Short-term trade receivables	131	5	126,945,115,191	207,491,626,810
2. Short-term advances to suppliers	132	6	3,985,414,865	1,234,955,926
3. Short-term loan receivables	135		10,000,000	-
4. Other short-term receivables	136	7	7,416,041,452	5,455,730,829
IV. Inventories	140	8	487,085,504,392	279,375,373,305
1. Inventories	141		489,951,593,473	284,093,755,915
2. Provision for devaluation of inventories	149		(2,866,089,081)	(4,718,382,610)
V. Other short-term assets	150		15,253,858,206	14,874,120,228
1. Short-term prepayments	151	9	4,241,168,379	3,302,997,661
2. Value added tax deductibles	152		11,012,689,827	11,571,122,567
B. NON-CURRENT ASSETS	200		67,033,476,103	37,682,383,422
I. Long-term receivables	210		444,000,000	-
1. Long-term loans receivable	215		444,000,000	-
II. Fixed assets	220		59,525,936,216	35,131,616,481
1. Tangible fixed assets	221	10	52,799,326,870	27,800,699,131
- Cost	222		101,037,980,000	73,773,246,240
- Accumulated depreciation	223		(48,238,653,130)	(45,972,547,109)
2. Finance lease assets	224	11	5,900,036,000	6,409,488,431
- Cost	225		6,953,984,639	6,489,256,793
- Accumulated depreciation	226		(1,053,948,639)	(79,768,362)
3. Intangible assets	227	12	826,573,346	921,428,919
- Cost	228		2,204,131,432	2,204,131,432
- Accumulated amortisation	229		(1,377,558,086)	(1,282,702,513)
III. Long-term assets in progress	240		-	21,136,364
1. Construction in progress	242		-	21,136,364
IV. Other long-term assets	260		7,063,539,887	2,529,630,577
1. Long-term prepayments	261	9	7,063,539,887	2,529,630,577
TOTAL ASSETS (270=100+200)	270		710,391,723,622	564,274,407,349

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 March 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		618,738,382,767	521,944,029,890
I. Current liabilities	310		600,652,779,196	509,490,809,712
1. Short-term trade payables	311	13	397,731,889,972	321,033,664,984
2. Short-term advances from customers	312		3,069,907,187	-
3. Taxes and amounts payable to the State budget	313	14	6,063,829,830	781,504,351
4. Payables to employees	314		14,316,183,534	18,158,472,524
5. Short-term accrued expenses	315		7,377,631,407	406,729,327
6. Other current payables	319	15	16,627,467,175	9,353,796,570
7. Short-term loans and obligations under finance leases	320	16	155,465,870,091	159,756,641,956
II. Long-term liabilities	330		18,085,603,571	12,453,220,178
1. Long-term loans and obligations under finance leases	338	17	15,996,601,236	10,364,217,843
2. Long-term provisions	342		2,089,002,335	2,089,002,335
D. EQUITY	400		91,653,340,855	42,330,377,459
I. Owner's equity	410	18	91,653,340,855	42,330,377,459
1. Owner's contributed capital	411		72,158,884,133	72,158,884,133
2. Retained earnings/Accumulated (losses)	421		19,494,456,722	(29,828,506,674)
- (Losses) accumulated to the prior year end	421a		(29,828,506,674)	(56,508,975,666)
- Retained earnings of the current year	421b		49,322,963,396	26,680,468,992
TOTAL RESOURCES (440=300+400)	440		710,391,723,622	564,274,407,349

Le Thi Thanh Thuy
Preparer/Chief Accountant

Aggarwal Kulbhusan
Chief Finance Officer



Gurusankar Gurumoorthy
General Director

05 May 2023

The accompanying notes are an integral part of these financial statements

INCOME STATEMENT

For the year ended 31 March 2023

Unit: VND

ITEMS	Codes		Unit: VND	
			Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	20	1,137,413,216,239	1,083,427,406,709
2. Net revenue from goods sold and services rendered (10=01)	10		1,137,413,216,239	1,083,427,406,709
3. Cost of sales	11		975,343,712,203	988,060,376,362
4. Gross profit from goods sold and services rendered (20=10-11)	20		162,069,504,036	95,367,030,347
5. Financial income	21	23	37,568,445,095	8,338,466,498
6. Financial expenses	22	24	50,744,760,934	12,254,415,959
- In which: Interest expense	23		6,518,898,059	2,128,166,175
7. Selling expenses	25	22	68,319,246,076	45,466,823,943
8. General and administration expenses	26	22	24,665,397,773	19,454,147,951
9. Operating profit (30=20+(21-22)-(25+26))	30		55,908,544,348	26,530,108,992
10. Other income	31		111,218,224	150,360,000
11. Other expenses	32		369,250,378	-
12. (Loss)/profit from other activities (40=31-32)	40		(258,032,154)	150,360,000
13. Accounting profit before tax (50=30+40)	50		55,650,512,194	26,680,468,992
14. Current corporate income tax expense	51	25	6,327,548,798	-
15. Net profit after corporate income tax (60=50-51)	60		49,322,963,396	26,680,468,992


Le Thi Thanh Thuy
Preparer/Chief Accountant


Aggarwal Kulbhushan
Chief Finance Officer


Gurusankar Gurumoorthy
General Director

05 May 2023

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 March 2023

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	55.650.512.194	26.680.468.992
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	6.671.476.878	5.143.921.294
Provisions	03	(1.852.293.529)	(2.790.982.410)
Foreign exchange losses arising from translating foreign currency items	04	5.325.518.252	2.310.856.606
Loss/(Gain) from investing activities	05	365.197.268	(146.610.000)
Interest expense	06	6.518.898.059	2.128.166.175
3. <i>Operating profit before movements in working capital</i>	08	72.679.309.122	33.325.820.657
Decrease/(increase) in receivables	09	75.693.121.851	(99.115.914.354)
Increases in inventories	10	(205.857.837.558)	(193.559.671.736)
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	82.661.750.117	225.518.648.648
Increases in prepaid expenses	12	(5.472.080.028)	(753.980.895)
Interest paid	14	(4.055.081.983)	(2.128.166.175)
Corporate income tax paid	15	(1.132.785.815)	-
<i>Net cash generated by/(used in) operating activities</i>	20	14.516.395.706	(36.713.263.855)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(31.222.645.623)	(9.124.558.432)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	507.090.909	146.610.000
3. Cash outflow for lending, buying debt instruments of other entities	23	(1.304.000.000)	-
<i>Net cash used in investing activities</i>	30	(32.019.554.714)	(8.977.948.432)

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT (Continued)

For the year ended 31 March 2023

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	231,594,914,045	321,555,578,987
2. Repayment of borrowings	34	(229,307,723,248)	(263,976,478,262)
3. Repayment of obligations under finance leases	35	(1,234,866,456)	(91,603,378)
<i>Net cash generated by financing activities</i>	40	1,052,324,341	57,487,497,347
Net (decrease)/increase in cash (50=20+30+40)	50	(16,450,834,667)	11,796,285,060
Cash at the beginning of the year	60	18,160,216,829	6,025,192,177
Effects of changes in foreign exchange rates	61	102,931,251	338,739,592
Cash at the end of the year (70=50+60+61)	70	1,812,313,413	18,160,216,829

Le Thi Thanh Thuy
Preparer/Chief Accountant

Aggarwal Kulbhusan
Chief Finance Officer



Gurusankar Gurumoorthy
General Director

05 May 2023

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Structure of ownership

Pearl Global Vietnam Co., Ltd. (the "Company"), formerly known as Flexcon Vietnam Joint Venture Co., Ltd., was incorporated in Vietnam as a joint venture with foreign-owned equity for 30 years from the date of Investment License No. 12/GP-BG dated 11 August 2003 issued by Bac Giang Provincial People's Committee.

The parent company of the Company is Vin Pearl Global Vietnam Limited (incorporated in Hongkong). The ultimate parent company of the Group is Pearl Global Industries Limited (incorporated in India).

The total number of the Company's employees as at 31 March 2023 was 1,216 (as at 31 March 2022: 1,058).

Operating industry and principal activities

The Company operates in the garment industry.

The principal activities of the Company are to manufacture garment products, provide garment processing services to customers, provide laundry and embroidering services and ensure more than 80% of products to be exported per the first Business Registration Certificate.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the Company's audited financial statements for the year ended 31 March 2022.

2. **ACCOUNTING CONVENTION AND FINANCIAL YEAR**

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 01 April and ends on 31 March of following year.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of the financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the General Director to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the General Director's best knowledge, actual results may differ from those estimates.

Cash

Cash comprises cash on hand and bank demand deposits.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits.

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue upon the General Director's assessment and estimation, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventories are accounted for using the perpetual inventory method. Cost of merchandises comprises cost of purchase and other directly attributable expenses. Cost is calculated using the weighted average method. Raw materials are valued at actual cost of purchase; finished goods and work in progress are valued at standard cost approximating actual cost of direct materials, labour and related manufacturing overheads based on the normal operating capacity. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	5 - 10
Motor vehicles	7 - 10
Office equipment	3 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives, as follows:

	<u>Years</u>
Machinery, equipment	5 - 10

Intangible assets and amortisation

Intangible assets comprise land use rights, land compensation expenses, site clearance expenses and software that are stated at cost less accumulated amortisation. Land use rights, land compensation and site clearance expenses are amortised using the straight-line method over the Company's operating duration of 30 years. Software is amortised using the straight-line method over the period of 5 years.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise costs of tool and dies issued for consumption, insurance premium, maintenance and repair expense, operating lease expense and other prepayments, which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the General Director's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Other borrowing costs for supplementary working capital are recognized into income statement in the financial year.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Company usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognized in the income statement.

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Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations. Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	28,973,000	98,815,500
Bank demand deposits	<u>1,783,340,413</u>	<u>18,061,401,329</u>
	<u>1,812,313,413</u>	<u>18,160,216,829</u>

5. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term trade receivables		
Pearl Grass Creation Company Limited	92,589,924,930	68,551,120,732
Pearl Global HK Company Limited	27,801,350,099	132,663,193,131
Pearl Global USA, Inc.	6,553,840,162	4,173,325,538
Others	-	2,103,987,409
	<u>126,945,115,191</u>	<u>207,491,626,810</u>
In which:		
Short-term trade receivables from related parties (Details stated in Note 26)	<u>126,945,115,191</u>	<u>205,387,639,401</u>

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Brother Machinery (Asia) Limited	1,228,969,500	-
Hung Phat HPG Garment Joint Stock Company	1,000,000,000	-
The New Leaders Co., Ltd	452,174,029	-
Duy Minh Garment Joint Stock Company	-	555,991,808
Others	1,304,271,336	678,964,118
	<u>3,985,414,865</u>	<u>1,234,955,926</u>

7. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Payment on behalf of related parties	5,571,930,366	4,234,653,576
Collateral deposit	1,310,130,262	995,002,300
Advances	533,980,824	58,898,267
Other receivables	-	167,176,686
	<u>7,416,041,452</u>	<u>5,455,730,829</u>

In which:

Receivables from related parties (Details stated in Note 26)	5,571,930,366	4,234,653,576
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8. INVENTORIES

	Closing balance		Opening balance	
	VND		VND	
	Cost	Provision	Cost	Provision
Goods in transit	33,124,715,243	-	15,388,385,090	-
Raw materials and consumables	331,918,902,000	259,757,817	189,974,166,552	584,804,391
Tools and supplies	1,591,374,484	16,849,018	408,584,693	-
Work in progress	19,900,043,633	283,698,765	22,111,755,966	263,696,443
Finished goods	103,416,558,113	2,305,783,481	56,210,863,614	3,869,881,776
	<u>489,951,593,473</u>	<u>2,866,089,081</u>	<u>284,093,755,915</u>	<u>4,718,382,610</u>

As at 31 March 2023, the Company made provision for devaluation of inventories with the amount of VND 2,866,089,081 (as at 31 March 2022: VND 4,718,382,610) because the net realizable value of inventories was lower than their cost.

9. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Operating lease expenses	2,203,007,046	560,894,746
Insurance premium	943,607,148	799,239,214
Others	1,094,554,185	1,942,863,701
	<u>4,241,168,379</u>	<u>3,302,997,661</u>
b. Non-current		
Tools and dies issued for consumption	6,468,188,955	1,764,090,314
Maintenance and repair expenses	502,461,526	495,693,876
Others	92,889,406	269,846,387
	<u>7,063,539,887</u>	<u>2,529,630,577</u>

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	27,370,897,332	38,959,975,391	4,952,058,298	2,490,315,219	73,773,246,240
Purchases	5,177,570,296	7,757,384,619	4,098,371,938	1,203,343,727	18,236,670,580
Transfer from construction in progress	13,236,686,364	-	-	-	13,236,686,364
Disposals	(263,700,000)	(3,498,397,729)	-	(446,525,455)	(4,208,623,184)
Closing balance	45,521,453,992	43,218,962,281	9,050,430,236	3,247,133,491	101,037,980,000
ACCUMULATED DEPRECIATION					
Opening balance	15,649,284,737	26,104,970,702	2,751,270,071	1,467,021,599	45,972,547,109
Charge for the year	1,821,990,678	2,967,141,643	609,147,964	204,160,743	5,602,441,028
Disposals	(32,872,192)	(3,076,530,015)	-	(226,932,800)	(3,336,335,007)
Closing balance	17,438,403,223	25,995,582,330	3,360,418,035	1,444,249,542	48,238,653,130
NET BOOK VALUE					
Opening balance	11,721,612,595	12,855,004,689	2,200,788,227	1,023,293,620	27,800,699,131
Closing balance	28,083,050,769	17,223,379,951	5,690,012,201	1,802,883,949	52,799,326,870

As at 31 March 2023, the cost of the Company's tangible fixed assets includes VND 17,676,183,694 (as at 31 March 2022: VND 20,078,296,700) of tangible fixed assets which have been fully depreciated but are still in use.

As described in Note 16 and Note 17, the Company has pledged some tangible fixed assets with the carrying value as at 31 March 2023 of VND 25,551,377,911 (as at 31 March 2022: VND 13,732,327,285), and other assets formed in the future in accordance with provisions of the mortgage contracts signed with the banks to secure bank loans.

11. INCREASES, DECREASES IN FINANCE LEASE ASSETS

	Machinery and equipment VND	Total VND
COST		
Opening balance	6,489,256,793	6,489,256,793
Additions	464,727,846	464,727,846
Closing balance	<u>6,953,984,639</u>	<u>6,953,984,639</u>
ACCUMULATED DEPRECIATION		
Opening balance	79,768,362	79,768,362
Charge for the year	974,180,277	974,180,277
Closing balance	<u>1,053,948,639</u>	<u>1,053,948,639</u>
NET BOOK VALUE		
Opening balance	<u>6,409,488,431</u>	<u>6,409,488,431</u>
Closing balance	<u>5,900,036,000</u>	<u>5,900,036,000</u>

As per lease contract No. 119.21.10/CTTC dated 10 September 2021 and No.110.21.12/CTTC dated 25 September 2021, the Company shall have the right to purchase assets upon the expiry.

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Land compensation expenses VND	Site clearance expenses VND	Software VND	Total VND
COST					
Opening balance	69,980,290	612,110,000	576,035,238	946,005,904	2,204,131,432
Closing balance	<u>69,980,290</u>	<u>612,110,000</u>	<u>576,035,238</u>	<u>946,005,904</u>	<u>2,204,131,432</u>
ACCUMULATED AMORTISATION					
Opening balance	42,794,872	374,321,804	352,261,028	513,324,809	1,282,702,513
Charge for the year	2,203,570	19,274,415	18,138,483	55,239,105	94,855,573
Closing balance	<u>44,998,442</u>	<u>393,596,219</u>	<u>370,399,511</u>	<u>568,563,914</u>	<u>1,377,558,086</u>
NET BOOK VALUE					
Opening balance	<u>27,185,418</u>	<u>237,788,196</u>	<u>223,774,210</u>	<u>432,681,095</u>	<u>921,428,919</u>
Closing balance	<u>24,981,848</u>	<u>218,513,781</u>	<u>205,635,727</u>	<u>377,441,990</u>	<u>826,573,346</u>

As described in Note 16, as at 31 March 2023, the Company has pledged the land use right certificate with its term up to November 2033 in Dinh Tri Commune, Bac Giang City, Bac Giang Province under mortgage contracts signed with the banks to secure bank loans.

As at 31 March 2023, the cost of the Company's intangible assets includes VND 393,640,510 (as at 31 March 2022: VND 393,640,510) of intangible assets which have been fully amortised but are still in use.

13. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
	Amount/ Amount able to be paid off	Amount/ Amount able to be paid off
DSSP Global Ltd.	347,325,870,697	248,058,401,431
Young Textile Co., Ltd.	12,688,257	4,464,643,103
Others	50,393,331,018	68,510,620,450
	<u>397,731,889,972</u>	<u>321,033,664,984</u>

In which:

Short-term trade payables to related parties (Details stated in Note 26)	347,325,870,697	248,058,401,431
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14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>Opening balance</u>	<u>Payable during the year</u>	<u>Net-off/Paid during the year</u>	<u>Closing balance</u>
	VND	VND	VND	VND
Value added tax	-	504,935,096	504,935,096	-
Corporate income tax	-	6,327,548,798	1,132,785,815	5,194,762,983
Personal income tax	779,725,658	2,757,427,949	2,668,086,760	869,066,847
Other taxes	1,778,693	-	1,778,693	-
	<u>781,504,351</u>	<u>9,589,911,843</u>	<u>4,307,586,364</u>	<u>6,063,829,830</u>

15. OTHER SHORT-TERM PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Payable on-behalf	13,913,936,708	8,914,734,182
Interest payable	2,463,816,076	-
Trade union fee	245,381,391	439,062,388
Others	4,333,000	-
	<u>16,627,467,175</u>	<u>9,353,796,570</u>

In which:

Other payables to related parties (Details stated in Note 26)	16,377,752,783	8,914,734,180
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16. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	Decreases	VND Effect of foreign exchange	VND Amount able to be paid off
Vietnam Technological and Commercial Joint Stock Bank - Ha Thanh Branch (i)	102,460,840,514	102,460,840,514	178,150,761,705	177,618,632,448	(1,474,938,240)	101,518,031,531
Pearl Global HK Limited Company (ii)	51,194,384,400	51,194,384,400	51,885,040,940	51,689,090,800	1,256,562,419	52,646,896,959
Current portion of long-term loans (see Note 17)	5,239,440,000	5,239,440,000	-	5,239,440,000	-	-
Current portion of long-term obligations under finance leases (see Note 17)	861,977,042	861,977,042	438,964,559	-	-	1,300,941,601
	<u>159,756,641,956</u>	<u>159,756,641,956</u>	<u>230,474,767,204</u>	<u>234,547,163,248</u>	<u>(218,375,821)</u>	<u>155,465,870,091</u>

(i) Represent short-term loan from Vietnam Technological and Commercial Joint Stock Bank - Ha Thanh Branch under the Credit Contract with the credit limit of USD 4,500,000 to supplement working capital for production. Loan interest rate is specified in each covenant. Loan principal and interest are payable within maximum 06 months from the date of withdrawal for each covenant. The loan is secured as per the Mortgage Contracts by the land use right certificate, workshop, warehouse and production line of Pearl Global Vietnam Co., Ltd (see Note 10 and Note 12).

(ii) Represent short-term loans from Pearl Global HK Limited Company (related party) according to the Loan Agreements with the amount of USD 2,227,780 to supplement working capital for the Company's business activities, loan principal is repayable within a year. Loan interest rate is fixed at 4% per annum. The loan is unsecured.

17. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance
	Amount	Amount able to be paid off	Increases	Decreases	VND
Long-term loans					
Pearl Global HK Company Limited (i)	13,282,440,000	13,282,440,000	5,239,440,000	5,239,440,000	13,659,296,000
Long-term obligations under finance leases					
Vietcombank Leasing Co., Ltd (ii)	3,183,194,885	3,183,194,885	1,559,111,400	1,234,866,456	3,638,246,837
	16,465,634,885	16,465,634,885	6,798,551,400	6,474,306,456	17,297,542,837

In which:

Amount due for settlement within 12 months	6,101,417,042	6,101,417,042			1,300,941,601
Amount due for settlement after 12 months	10,364,217,843	10,364,217,843			15,996,601,236

(i) Represent the long-term unsecured loans from Pearl Global HK Limited Company (related party) according to:

- (a) the Loan Agreement dated 05 June 2017 and the Annex No. 01 dated 29 April 2022 with the amount of USD 228,000 to purchase new equipment and supplement working capital for the Company's business activities (loan principal repayment term is extended to 06 June 2027), the loan is interest-free;
- (b) the Loan Agreement dated 06 March 2020 and the Annex No. 01 dated 23 March 2021 with the amount of USD 350,000 to supplement working capital for the Company's business (loan principal repayment term is extended to 23 March 2026), the interest rate is 4% per annum.

(ii) Finance lease from Vietcombank Leasing Company Limited under the finance leasing contracts dated 10 September 2021 and 25 September 2021, and the applicable interest rates as of 31 March 2023 are 9.22% per annum and 8.93% per annum, respectively. The loan period is 48 months. The total rental amount is USD 210,620. The loan principal is repaid equally on a monthly basis.

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	-	5,239,440,000
After three years	13,659,296,000	8,043,000,000
	<u>13,659,296,000</u>	<u>13,282,440,000</u>
Less: Amount due for settlement within 12 months (shown under Short-term loans)	-	5,239,440,000
Amount due for settlement after 12 months	<u>13,659,296,000</u>	<u>8,043,000,000</u>

Long-term obligations under finance lease are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	1,300,941,601	861,977,042
In the second year	1,300,941,600	870,459,420
After three years	1,036,363,636	1,450,758,423
	<u>3,638,246,837</u>	<u>3,183,194,885</u>
Less: Amount due for settlement within 12 months (shown under Short-term obligations under finance leases)	1,300,941,601	861,977,042
Amount due for settlement after 12 months	<u>2,337,305,236</u>	<u>2,321,217,843</u>

18. OWNER'S EQUITY

Movement in owner's equity

	<u>Owner's contributed capital</u>	<u>Accumulated (losses)/Retained earning</u>	<u>Total</u>
	VND	VND	VND
Prior year's opening balance	72,158,884,133	(56,508,975,666)	15,649,908,467
Profit for the year	-	26,680,468,992	26,680,468,992
Current year's opening balance	<u>72,158,884,133</u>	<u>(29,828,506,674)</u>	<u>42,330,377,459</u>
Profit for the year	-	49,322,963,396	49,322,963,396
Current year's closing balance	<u>72,158,884,133</u>	<u>19,494,456,722</u>	<u>91,653,340,855</u>

Investment capital and charter capital

According to the latest Investment Certificate dated 27 February 2020, the Company's investment capital and charter capital are USD 4,219,659 (equivalent to VND 83,285,105,850) and USD 3,522,035 (equivalent to VND 72,158,884,133), respectively. The amount of capital contributed in VND on the report is converted using the actual exchange rate at the time of capital contribution in accordance with prevailing accounting regime and regulations. As at 31 March 2023, the charter capital was fully contributed by the owner as follows:

Owner	Contributed capital			
	Closing balance		Opening balance	
	USD	VND equivalent	USD	VND equivalent
Vin Pearl Global Vietnam Company Limited	3,522,035	72,158,884,133	3,522,035	72,158,884,133
	<u>3,522,035</u>	<u>72,158,884,133</u>	<u>3,522,035</u>	<u>72,158,884,133</u>

19. OFF BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
United States Dollar (USD)	40,023	738,966

20. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current year</u> VND	<u>Prior year</u> VND
Sales of merchandise and services		
Revenue from sales of exported goods	1,137,413,216,239	1,083,427,406,709
	<u>1,137,413,216,239</u>	<u>1,083,427,406,709</u>
In which:		
Revenue from related parties in the year (Details stated in Note 26)	1,010,192,879,937	926,835,915,359
	<u>1,010,192,879,937</u>	<u>926,835,915,359</u>

21. PRODUCTION COSTS BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Raw materials and consumables	804,365,674,390	877,514,004,910
Labour	201,491,431,910	161,440,644,433
Depreciation and amortisation	6,671,476,878	5,143,921,294
Other monetary expenses	100,793,755,040	47,920,340,353
	<u>1,113,322,338,218</u>	<u>1,092,018,910,990</u>

22. SELLING EXPENSE AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
General and administration expenses		
Salary expense	16,422,267,361	12,682,101,299
Others	8,243,130,412	6,772,046,652
	<u>24,665,397,773</u>	<u>19,454,147,951</u>
Selling expenses		
Salary expense	30,825,591,217	9,155,851,192
Transportation cost	4,852,106,812	16,066,966,029
Export cost and loading, unloading charges	15,338,772,193	7,861,722,000
Others	17,302,775,854	12,382,284,722
	<u>68,319,246,076</u>	<u>45,466,823,943</u>

23. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Foreign exchange gain	37,553,966,193	8,330,307,818
Bank and loan interest	14,478,902	8,158,680
	<u>37,568,445,095</u>	<u>8,338,466,498</u>

24. FINANCIAL EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Foreign exchange loss	43,388,566,149	9,876,035,894
Interest expense	6,518,898,059	2,128,166,175
Other financial expenses	837,296,726	250,213,890
	<u>50,744,760,934</u>	<u>12,254,415,959</u>

25. CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	5,194,762,983	-
Adjustments for corporate income tax expense in previous years to the current year	1,132,785,815	-
Total current corporate income tax expense	<u>6,327,548,798</u>	<u>-</u>

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Profit before tax	55,650,512,194	26,680,468,992
Adjustments for taxable profit		
Deduct:	(4,408,216,070)	-
<i>Accrual for bonus of prior year</i>	(4,408,216,070)	-
Add back:	705,333,708	1,225,484,416
<i>Non-deductible expenses</i>	210,143,264	1,225,484,416
<i>Unrealized exchange rate loss</i>	495,190,444	
<i>Loss carry-forward</i>	-	(27,905,953,408)
Taxable profit of the current year	51,947,629,832	-
<i>Taxable profit at incentive tax rate of 10%</i>	<u>51,947,629,832</u>	<u>-</u>
Corporate income tax expense based on taxable profit in the current year	<u>5,194,762,983</u>	<u>-</u>

According to Decision No. 12/GP-BG dated 11 August 2003 of the People's Committee of Bac Giang province, the Company is entitled to an annual corporate income tax incentive equal to 10% of profit earned during the project implementation period, and to corporate income tax exemption for four years from the profit-making year and 50% reduction for four years thereafter.

26. RELATED PARTY TRANSACTIONS AND BALANCES

List of related party with significant transactions and balances for the year:

<u>Related party</u>	<u>Relationship</u>
Pearl Global Industries Limited	Ultimate Parent Company
Vin Pearl Global Vietnam Limited	Parent Company
Pearl Global HK Limited Company	Affiliate
Pearl Grass Creation Limited	Affiliate
DSSP Global Limited	Affiliate
Pearl Global USA, Inc.	Affiliate

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

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Sale of goods and services	1,010,192,879,937	926,835,915,359
Pearl Grass Creation Limited	643,779,505,208	451,666,147,731
Pearl Global HK Limited Company	308,432,692,993	458,163,374,385
Pearl Global USA, Inc.	57,980,681,736	11,125,405,025
Pearl Global Industries Limited	-	5,880,988,218
Purchases of goods and services	764,123,398,358	533,328,073,907
DSSP Global Limited	764,123,398,358	533,328,073,907
Payment on-behalf	-	12,597,333,531
Pearl Global HK Limited Company	-	12,597,333,531
On-behalf payment by related party	66,416,079,216	50,865,466,403
Pearl Grass Creation Limited	66,416,079,216	50,865,466,403

Significant related party balances as at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Short-term trade receivables	126,945,115,191	205,387,639,401
Pearl Grass Creation Limited	92,589,924,930	68,551,120,732
Pearl Global HK Limited Company	27,801,350,099	132,663,193,131
Pearl Global USA, Inc.	6,553,840,162	4,173,325,538
Other short-term receivables	5,571,930,366	4,234,653,576
Pearl Global HK Limited Company	5,571,930,366	4,234,653,576
Short-term trade payables	347,325,870,697	248,058,401,431
DSSP Global Limited	347,325,870,697	248,058,401,431
Short-term loans	52,646,896,959	56,433,824,400
Pearl Global HK Limited Company	52,646,896,959	56,433,824,400
Long-term loans	13,659,296,000	8,043,000,000
Pearl Global HK Limited Company	13,659,296,000	8,043,000,000
Other short-term payables	16,377,752,784	8,914,734,180
Pearl Grass Creation Limited	13,913,936,708	5,194,990,475
Pearl Global HK Limited Company	2,463,816,076	2,686,832,000
Pearl Global Industries Limited	-	1,032,911,704

27. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 910,883,400 (2021: VND 216,580,597), representing an addition in fixed assets during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.


Interest paid exclude an amount of VND 2,463,816,076 (2021: VND 0), representing amount of interest during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.



Le Thi Thanh Thuy
Preparer/Chief Accountant



Aggarwal Kulbhusan
Chief Finance Officer



Gurusankar Gurumoorthy
General Director

05 May 2023