



**AAC AUDITING AND ACCOUNTING CO., LTD**  
A member of PrimeGlobal

**QUANG NGAI SUGAR  
JOINT STOCK COMPANY**  
Consolidated financial statements  
For the year ended 31 December 2023

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## REPORT OF THE MANAGEMENT

The Management of Quang Ngai Sugar Joint Stock Company is pleased to present this report together with the audited consolidated financial statements for the year ended 31/12/2023.

### Overview

Quang Ngai Sugar Joint Stock Company ("the Company") is incorporated on the basis of equitizing the State-Owned Enterprise (Quang Ngai Sugar Company belonging to the Ministry of Agriculture and Rural Development) under Decision No. 2610/QĐ/BNN-DMDN dated 30/9/2005 by the Minister of Agriculture and Rural Development. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being the Enterprise Registration Certificate) No. 3403000079 issued by the Department of Planning and Investment of Quang Ngai Province on 28/12/2005, the Enterprise Law, its Charter and relevant regulations. Since the establishment date, the Enterprise Registration Certificate (the current number is 4300205943) has been amended 25 times and the most recent amendment was made on 18/09/2023.

The Company registered to list and trade its common shares on UPCoM at Hanoi Stock Exchange on 20 December 2016 with stock code QNS.

Charter capital as at 31/12/2023: VND3,569,399,550.

As at 31/12/2023, the Company had 16 dependent units which do independent accounting and one subsidiary:

### Dependent units

- Dung Quat Beer Factory;
- An Khe Agricultural and Mechanical Workshop;
- Viet Nam Soya Milk Factory - VINASOY;
- Viet Nam Soya Milk Factory - VINASOY Bac Ninh;
- Viet Nam Soya Milk Factory - VINASOY Binh Duong;
- VINASOY Study and Application Center;
- VINASOY Study and Development Center;
- Pho Phong Sugar Factory;
- Environment and Clean Water Center;
- An Khe Sugar Factory;
- An Khe Biomass Power Plant;
- Candy And Biscuit Factory- BISCAFUN;
- Thach Bich Mineral Water Factory;
- Quang Ngai Glucose Syrup Factory;
- Mechanical Factory;
- Gia Lai Sugarcane Seed Study and Application Center.

### Subsidiary

Company name	Address	Principal activities	% holding and voting right
Thanh Phat Trade Limited Company	02 Nguyen Chi Thanh, Quang Ngai City	Trading	100%



## REPORT OF THE MANAGEMENT (CONT'D)

### *Head office*

- Address: 02 Nguyen Chi Thanh Street, Quang Phu Ward, Quang Ngai City, Quang Ngai Province.
- Tel: (84) 0255.3726 110
- Fax: (84) 0255.3822 843
- Website: [www.qns.com.vn](http://www.qns.com.vn)

### *Operating activities*

- Processing milk and products from milk. Detail: Processing soya milk and products from soya milk;
- Restaurants and mobile food service activities;
- Manufacturing sugar;
- Manufacturing pastry cooks' products from flours;
- Manufacturing fertilizer and nitrogen compounds. Detail: Manufacturing inorganic, microbial fertilizers;
- Other food serving activities;
- Installing industrial machinery and equipment;
- Wholesale of beverages. Detail: Trading beer, beverages;
- Sewerage and waste water treatment;
- Repairing machinery and equipment;
- Other specialized construction activities;
- Wholesale of food. Detail: Trading sugar, honey, milk, confectionary;
- Exploiting, treating and supplying water. Detail: Exploiting mineral water;
- Manufacturing malt liquors and malt;
- Manufacturing non-alcoholic beverages, mineral water. Detail: Manufacturing soft drinks and mineral water;
- Warehousing and storage;
- Post-harvest crop activities;
- Support activities for crop production. Detail: Planting sugar cane;
- Real estate activities with own or leased property;
- Machining; treatment and coating of metals. Detail: Machining mechanical products for manufacture and civil industries;
- Freight transport by road;
- Short-term accommodation activities;
- Manufacturing agricultural and forestry machinery. Detail: Trading and manufacturing tools of agricultural machinery;
- Manufacturing other special-purpose machinery. Detail: Manufacturing machinery for planting, caring and harvesting sugar cane;
- Other specialized wholesale n.e.c. Detail: Trading inorganic fertilizers, microbial fertilizers; Trading glass bottles, plastic boxes; Trading sugar cane as seedlings, raw materials, ethanol, glucose syrup; Trading finished products, wastes from sugar processing such as: molasses, soy bean residue, malt in beer, bagasse, press mud;

## REPORT OF THE MANAGEMENT (CONT'D)

- Manufacturing other food products n.e.c. Detail: Manufacturing, trading glucose syrup; Manufacturing, trading ethanol such as food ethanol, fuel ethanol, denatured fuel ethanol, industrial ethanol; Manufacturing and trading food CO<sub>2</sub> and industrial CO<sub>2</sub>; Manufacturing and trading yeast products; Manufacturing and trading plant-based food products;
- Manufacture of structural metal products;
- Manufacture of tanks, reservoirs and containers of metal;
- Manufacture of steam generators, except central heating hot water boilers;
- Forging, pressing, stamping and roll-forming of metal; powder metallurgy;
- Manufacture of lifting and handling equipment;
- Electrical installation;
- Plumbing, heat and air-conditioning installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading of soybean seeds and raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Details: Growing of soybeans;
- Growing of oil seeds;
- Seed processing for propagation;
- Other mining and quarrying n.e.c.;
- Other professional, scientific and technical activities n.e.c. Detail: Agronomic consultancy;
- Organization of conventions and trade shows;
- Packaging activities (except packaging of plant protection drugs);
- Site preparation. Detail: Filling, grading, excavating land, building infield ditch roads and traffic of sugar cane area;
- Manufacturing gas; distributing gaseous fuels through mains. Detail: Manufacturing and supplying biogas and steam gas;
- Landscape care and maintenance service;
- Manufacturing cocoa, chocolate and sugar confectionery;
- Propagation and growing of industrial cultivars. Detail: Propagation and care of sugar cane; Propagation and care of soybean trees;
- Generating electricity;
- Construction of other civil engineering projects;
- Research and experimental development on natural sciences;
- Research and experimental development on engineering and technology;
- Manufacture of prepared meals and dishes;
- Manufacture of vegetable and animal oils and fats.



## REPORT OF THE MANAGEMENT (CONT'D)

### *Employees*

As at 31/12/2023, the Company had 4,133 employees, including 162 managing officers.

Members of the Board of Directors, Board of Supervisors, Management and Chief Accountant during the year and up to this reporting date are as follows:

### *Board of Directors*

• Mr. Tran Ngoc Phuong	Chairman	Reappointed on 08/04/2021
• Mr. Vo Thanh Dang	Vice Chairman	Appointed on 08/04/2021
• Mr. Nguyen Huu Tien	Member	Reappointed on 03/04/2021
• Mr. Ngo Van Tu	Member	Reappointed on 03/04/2021
• Mr. Dang Phu Quy	Member	Reappointed on 03/04/2021
• Mr. Nguyen Van Dong	Member	Appointed on 03/04/2021

### *Board of Supervisors*

• Mr. Nguyen Dinh Que	Chief Supervisor	Reappointed on 06/04/2021
• Mr. Nguyen Thanh Huy	Supervisor	Reappointed on 03/04/2021
• Ms. Huynh Thi Ngoc Diep	Supervisor	Reappointed on 03/04/2021

### *Management and Chief Accountant*

• Mr. Vo Thanh Dang	General Director	Reappointed on 08/04/2021
• Mr. Tran Ngoc Phuong	Vice General Director	Reappointed on 08/04/2021
• Mr. Dang Phu Quy	Vice General Director	Appointed on 12/08/2022
• Mr. Nguyen The Binh	Chief Accountant	Reappointed on 08/04/2021

### *Independent Auditor*

These consolidated financial statements have been audited by AAC Auditing and Accounting Co., Ltd. (Head office: Lot 78-80, 30<sup>th</sup> April Street, Hai Chau District, Da Nang City; Telephone: (84) 0236.3655886; Fax: (84) 0236.3655887; Website: [www.aac.com.vn](http://www.aac.com.vn); Email: [aac@dng.vnn.vn](mailto:aac@dng.vnn.vn)).

### **Statement of the Management's responsibility in respect of the consolidated financial statements**

The Management of the Company is responsible for preparation and fair presentation of these consolidated financial statements on the basis of:

- Complying with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the consolidated financial statements on the going concern basis;
- Responsibility for such internal control as the Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## REPORT OF THE MANAGEMENT (CONT'D)

Members of the Company's Management hereby confirm that the accompanying consolidated financial statements including the consolidated balance sheet, the consolidated income statement, the consolidated statement of cash flows and notes to the consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31/12/2023 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the consolidated financial statements.

On behalf of the Management



**Vo Thanh Dang**  
General Director

Quang Ngai Province, 28 February 2024





## AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL

AUDITING - ACCOUNTING - FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dnng.vn; Website: http://www.aac.com.vn

No. 140/2024/BCKT-AAC

### INDEPENDENT AUDITORS' REPORT

**To:** The Shareholders, Board of Directors and Management  
Quang Ngai Sugar Joint Stock Company

We have audited the consolidated financial statements prepared on 28/02/2024 of Quang Ngai Sugar Joint Stock Company ("the Company") as set out on pages 7 to 43, which comprise the consolidated balance sheet as at 31/12/2023, the consolidated income statement and the consolidated statement of cash flows for the year then ended and the notes thereto.

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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


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


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

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31/12/2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

AAC Auditing and Accounting Co., Ltd.

  
**Tran Thi Phuong Lan – Deputy General Director**  
Audit Practicing Registration Certificate  
No. 0396-2023-010-1  
Da Nang, 28 February 2024

  
**Dinh Ngoc Hong Hanh – Auditor**  
Audit Practicing Registration Certificate  
No. 4452-2023-010-1



**CONSOLIDATED BALANCE SHEET**  
**As at 31 December 2023**

Form B 01 – DN/HN  
Issued under Circular No. 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2023 VND	01/01/2023 VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>8,093,319,101,947</b>	<b>6,090,308,585,881</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>289,482,272,858</b>	<b>202,619,119,038</b>
1. Cash	111	5	289,482,272,858	202,619,119,038
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>6,165,000,000,000</b>	<b>4,296,000,000,000</b>
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6	6,165,000,000,000	4,296,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>661,338,432,336</b>	<b>587,208,566,704</b>
1. Short-term trade receivables	131	7	248,116,226,127	146,306,720,521
2. Short-term prepayments to suppliers	132	8	379,855,956,240	410,943,227,278
3. Other short-term receivables	136	9.a	52,593,372,855	47,426,290,039
4. Provision for doubtful short-term debts	137	10	(19,227,122,886)	(17,467,671,134)
<b>IV. Inventories</b>	<b>140</b>		<b>958,387,940,269</b>	<b>947,250,896,864</b>
1. Inventories	141	11	961,027,161,702	948,321,942,419
2. Provision for decline in value of inventories	149		(2,639,221,433)	(1,071,045,555)
<b>V. Other current assets</b>	<b>150</b>		<b>19,110,456,484</b>	<b>57,230,003,275</b>
1. Short-term prepaid expenses	151	12.a	18,369,074,400	54,962,018,895
2. Deductible VAT	152		-	122,356,025
3. Taxes and amounts receivable from the State	153	18	741,382,084	2,145,628,355
<b>B. LONG-TERM ASSETS</b>			<b>3,959,445,424,756</b>	<b>4,176,155,603,134</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>786,569,947</b>	<b>456,640,965</b>
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9.b	786,569,947	456,640,965
<b>II. Fixed assets</b>	<b>220</b>		<b>3,666,269,497,383</b>	<b>3,913,527,682,127</b>
1. Tangible fixed assets	221	13	3,650,217,131,046	3,905,654,337,672
- Cost	222		9,204,317,361,309	9,054,223,474,811
- Accumulated depreciation	223		(5,554,100,230,263)	(5,148,569,137,139)
2. Intangible fixed assets	227	14	16,052,366,337	7,873,344,455
- Cost	228		74,486,330,425	62,861,937,395
- Accumulated amortization	229		(58,433,964,088)	(54,988,592,940)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>53,483,559,255</b>	<b>33,080,880,259</b>
1. Long-term work in process	241		-	-
2. Construction in progress	242	15	53,483,559,255	33,080,880,259
<b>V. Long-term financial investments</b>	<b>250</b>		<b>-</b>	<b>-</b>
<b>VI. Other long-term assets</b>	<b>260</b>		<b>238,905,798,171</b>	<b>229,090,399,783</b>
1. Long-term prepaid expenses	261	12.b	238,880,008,227	228,983,666,578
2. Deferred income tax assets	262		25,789,944	106,733,205
<b>TOTAL ASSETS</b>	<b>270</b>		<b>12,052,764,526,703</b>	<b>10,266,464,189,015</b>

**CONSOLIDATED BALANCE SHEET (cont'd)**  
**As at 31 December 2023**

RESOURCES	Code	Note	31/12/2023 VND	01/01/2023 VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>3,472,205,987,868</b>	<b>2,801,584,764,771</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,281,488,129,991</b>	<b>2,750,043,954,761</b>
1. Short-term trade payables	311	16	456,319,808,742	478,927,718,394
2. Short-term advances from customers	312	17	35,532,426,204	31,988,541,222
3. Taxes and amounts payable to the State budget	313	18	145,721,654,219	120,405,840,829
4. Payables to employees	314		111,461,532,617	103,667,788,357
5. Short-term accrued expenses	315	19	3,339,377,086	3,649,251,624
6. Short-term unearned revenue	318		712,727	620,308
7. Other short-term payables	319	20.a	42,427,563,697	42,755,103,896
8. Short-term loans and finance lease liabilities	320	21	2,411,316,232,933	1,895,895,232,086
9. Reward and welfare fund	322		75,368,821,766	72,753,858,045
<b>II. Long-term liabilities</b>	<b>330</b>		<b>190,717,857,877</b>	<b>51,540,810,010</b>
1. Other long-term payables	337	20.b	8,251,004,364	10,510,373,364
2. Science and technology development fund	343	22	182,466,853,513	41,030,436,646
<b>D. OWNERS' EQUITY</b>	<b>400</b>		<b>8,580,558,538,835</b>	<b>7,464,879,424,244</b>
<b>I. Equity</b>	<b>410</b>	<b>23</b>	<b>8,580,558,538,835</b>	<b>7,464,879,424,244</b>
1. Share capital	411	23	3,569,399,550,000	3,569,399,550,000
- Common shares with voting rights	411a		3,569,399,550,000	3,569,399,550,000
- Preferred shares	411b		-	-
2. Share premium	412	23	353,499,663,780	353,499,663,780
3. Treasury shares	415	23	(834,457,318,216)	(834,457,318,216)
4. Investment and development fund	418	23	714,375,667,849	675,773,360,282
5. Undistributed profit	421	23	4,777,740,975,422	3,700,664,168,398
- Undistributed profit up to prior year-end	421a		2,895,681,049,975	2,564,623,257,818
- Undistributed profit this year	421b		1,882,059,925,447	1,136,040,910,580
6. Non-controlling interests	429		-	-
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>12,052,764,526,703</b>	<b>10,266,464,189,015</b>



**Võ Thanh Dang**  
**General Director**

Quang Ngai Province, 28 February 2024

**Nguyen The Binh**  
**Chief Accountant**

**Nguyen Hong Diep**  
**Preparer**



**CONSOLIDATED INCOME STATEMENT**  
**For the year ended 31 December 2023**

Form B 02 – DN/HN  
Issued under Circular No. 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2023 VND	Year 2022 VND
1. Revenue from sales and service provision	01	25	10,081,617,871,279	8,318,949,297,839
2. Deductions	02	26	60,382,607,080	63,945,618,017
3. Net revenue from sales and service provision	10		10,021,235,264,199	8,255,003,679,822
4. Cost of goods sold	11	27	6,670,392,634,780	5,796,078,008,092
5. <b>Gross profit from sales and service provision</b>	<b>20</b>		<b>3,350,842,629,419</b>	<b>2,458,925,671,730</b>
6. Financial income	21	28	340,607,535,831	191,042,786,716
7. Financial expenses	22	29	138,891,494,695	83,722,680,028
Including: Interest expense	23		136,264,011,316	83,170,019,490
8. Selling expenses	25	30.a	805,491,960,579	868,297,002,640
9. Administrative expenses	26	30.b	391,346,215,563	232,062,418,660
10. <b>Operating profit</b>	<b>30</b>		<b>2,355,720,494,413</b>	<b>1,465,886,357,118</b>
11. Other income	31	31	93,995,949,879	43,757,052,420
12. Other expenses	32	32	2,868,560,251	4,320,507,909
13. <b>Other profit</b>	<b>40</b>		<b>91,127,389,628</b>	<b>39,436,544,511</b>
15. Accounting profit before tax	50		2,446,847,884,041	1,505,322,901,629
16. Current corporate income tax expense	51	33	263,301,665,333	218,681,555,091
17. Deferred corporate income tax expense	52		80,943,261	(102,239,042)
18. <b>Profit after tax</b>	<b>60</b>		<b>2,183,465,275,447</b>	<b>1,286,743,585,580</b>
19. Attributable to parent company	61		2,183,465,275,447	1,286,743,585,580
20. Attributable to the non-controlling interests	62			
21. Basic earnings per share	70	34	7,172	4,226
22. Diluted earnings per share	71	34	7,172	4,226



**Vo Thanh Dang**  
**General Director**

Quang Ngai Province, 28 February 2024

**Nguyen The Binh**  
**Chief Accountant**

**Nguyen Hong Diep**  
**Preparer**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31/12/2023**

Form B 03 – DN/HN  
Issued under Circular No. 202/2014/TT - BTC  
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Year 2023 VND	Year 2022 VND
<b>I. Cash flows from operating activities</b>			
1. Profit before tax	01	2,446,847,884,041	1,505,322,901,629
2. Adjustments for			
- Depreciation and amortization	02	445,442,805,149	489,531,395,518
- Provisions	03	3,327,627,630	931,599,178
- Foreign exchange (gains)/losses from revaluation of foreign currency balances	04	321,055,146	(1,761,013,648)
- (Profits)/losses from investing activities	05	(311,142,845,270)	(159,267,560,093)
- Interest expense	06	136,264,011,316	83,170,019,490
- Other adjustments	07	150,000,000,000	-
3. Operating profit before changes in working capital	08	2,871,060,538,012	1,917,927,342,074
- Decrease/increase in receivables	09	(63,960,851,173)	(66,303,600,535)
- Decrease/increase in inventories	10	(12,705,219,283)	(130,535,487,442)
- Decrease/increase in payables (excluding loan interest and corporate income tax payable)	11	(6,873,449,313)	(27,099,968,958)
- Decrease/increase in prepaid expenses	12	21,261,649,770	(52,454,673,383)
- Interest paid	14	(136,605,687,173)	(82,326,985,855)
- Corporate income tax paid	15	(245,637,015,090)	(154,085,610,326)
- Other payments for operating activities	17	(18,418,446,194)	(19,894,849,973)
<b>Net cash provided by operating activities</b>	<b>20</b>	<b>2,408,121,519,556</b>	<b>1,385,226,165,602</b>
<b>II. Cash flows from investing activities</b>			
1. Purchases of fixed assets and other long-term assets	21	(219,442,528,152)	(101,793,212,971)
2. Sales, disposals of fixed assets and other long-term assets	22	448,861,168	70,818,182
3. Purchases of debt instruments, loans given	23	(10,554,000,000,000)	(5,165,000,000,000)
4. Recovery of loans, sales of debt instruments	24	8,685,000,000,000	4,792,000,000,000
5. Received loan interest, dividends, profits	27	306,386,890,947	153,043,129,586
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(1,781,606,776,037)</b>	<b>(321,679,265,203)</b>
<b>III. Cash flows from financing activities</b>			
1. Proceeds from borrowings	33	6,761,780,787,221	5,569,341,998,122
2. Repayment of loan principal	34	(6,246,359,786,374)	(5,705,734,886,722)
3. Cash paid for dividends, profit to owners	36	(1,054,889,415,600)	(904,248,547,600)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(539,468,414,753)</b>	<b>(1,040,641,436,200)</b>
<b>Net cash flows for the year</b>	<b>50</b>	<b>87,046,328,766</b>	<b>22,905,464,199</b>
Cash and cash equivalents at the beginning of the year	60	202,619,119,038	178,881,955,680
Impacts of exchange rate fluctuations	61	(183,174,946)	831,699,159
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>289,482,272,858</b>	<b>202,619,119,038</b>



**Vo Thanh Dang**  
**General Director**

Quang Ngai Province, 28 February 2024

**Nguyen The Binh**  
**Chief Accountant**

**Nguyen Hong Diep**  
**Preparer**



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(These notes form an integral part of and should be read  
in conjunction with the consolidated financial statements)*

Form B 09 – DN/HN

*Issued under Circular No. 202/2014/TT – BTC  
dated 22/12/2014 by the Ministry of Finance*

### 1. Nature of operations

#### 1.1. Overview

Quang Ngai Sugar Joint Stock Company ("the Company") is incorporated on the basis of equitizing the State-Owned Enterprise (Quang Ngai Sugar Company belonging to the Ministry of Agriculture and Rural Development) under Decision No. 2610/QĐ/BNN-DMDN dated 30/9/2005 by the Minister of Agriculture and Rural Development. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being the Enterprise Registration Certificate) No. 3403000079 issued by the Department of Planning and Investment of Quang Ngai Province on 28/12/2005, the Enterprise Law, its Charter and relevant regulations. Since the establishment date, the Enterprise Registration Certificate (the current number is 4300205943) has been amended 25 times and the most recent amendment was made on 18/09/2023.

The Company registered to list and trade its common shares on UPCoM at Hanoi Stock Exchange on 20 December 2016 with stock code QNS.

#### 1.2. Principal scope of business:

*Industrial manufacture and commercial trading/service/construction/multi-industry business.*

#### 1.3. Operating activities

- Processing milk and products from milk. Detail: Processing soya milk and products from soya milk;
- Restaurants and mobile food service activities;
- Manufacturing sugar;
- Manufacturing pastry cooks' products from flours;
- Manufacturing fertilizer and nitrogen compounds. Detail: Manufacturing inorganic, microbial fertilizers;
- Other food serving activities;
- Installing industrial machinery and equipment;
- Wholesale of beverages. Detail: Trading beer, beverages;
- Sewerage and waste water treatment;
- Repairing machinery and equipment;
- Other specialized construction activities;
- Wholesale of food. Detail: Trading sugar, honey, milk, confectionary;
- Exploiting, treating and supplying water. Detail: Exploiting mineral water;
- Manufacturing malt liquors and malt;
- Manufacturing non-alcoholic beverages, mineral water. Detail: Manufacturing soft drinks and mineral water;
- Warehousing and storage;
- Post-harvest crop activities;
- Support activities for crop production. Detail: Planting sugar cane;
- Real estate activities with own or leased property;

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

- Machining; treatment and coating of metals. Detail: Machining mechanical products for manufacture and civil industries;
- Freight transport by road;
- Short-term accommodation activities;
- Manufacturing agricultural and forestry machinery. Detail: Trading and manufacturing tools of agricultural machinery;
- Manufacturing other special-purpose machinery. Detail: Manufacturing machinery for planting, caring and harvesting sugar cane;
- Other specialized wholesale n.e.c. Detail: Trading inorganic fertilizers, microbial fertilizers; Trading glass bottles, plastic boxes; Trading sugar cane as seedlings, raw materials, ethanol, glucose syrup; Trading finished products, wastes from sugar processing such as: molasses, soy bean residue, malt in beer, bagasse, press mud;
- Manufacturing other food products n.e.c. Detail: Manufacturing, trading glucose syrup; Manufacturing, trading ethanol such as food ethanol, fuel ethanol, denatured fuel ethanol, industrial ethanol; Manufacturing and trading food CO<sub>2</sub> and industrial CO<sub>2</sub>; Manufacturing and trading yeast products; Manufacturing and trading plant-based food products;
- Manufacture of structural metal products;
- Manufacture of tanks, reservoirs and containers of metal;
- Manufacture of steam generators, except central heating hot water boilers;
- Forging, pressing, stamping and roll-forming of metal; powder metallurgy;
- Manufacture of lifting and handling equipment;
- Electrical installation;
- Plumbing, heat and air-conditioning installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading of soybean seeds and raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Details: Growing of soybeans;
- Growing of oil seeds;
- Seed processing for propagation;
- Other mining and quarrying n.e.c.;
- Other professional, scientific and technical activities n.e.c. Detail: Agronomic consultancy;
- Organization of conventions and trade shows;
- Packaging activities (except packaging of plant protection drugs);
- Site preparation. Detail: Filling, grading, excavating land, building infield ditch roads and traffic of sugar cane area;
- Manufacturing gas; distributing gaseous fuels through mains. Detail: Manufacturing and supplying biogas and steam gas;
- Landscape care and maintenance service;
- Manufacturing cocoa, chocolate and sugar confectionery;



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

- Propagation and growing of industrial cultivars. Detail: Propagation and care of sugar cane; Propagation and care of soybean trees;
- Generating electricity;
- Construction of other civil engineering projects;
- Research and experimental development on natural sciences;
- Research and experimental development on engineering and technology;
- Manufacture of prepared meals and dishes;
- Manufacture of vegetable and animal oils and fats.

### 1.4. Normal operating cycle

The Company's normal operating cycle is 12 months. The normal operating cycle of An Khe Sugar Factory and An Khe Biomass Power Plant is seasonal and typically from October of the preceding year to May of the following year.

### 1.5. Company structure

As at 31/12/2023, the Company had 16 dependent units which do independent accounting and one subsidiary as follows:

#### **Dependent units**

- Dung Quat Beer Factory;
- An Khe Agricultural and Mechanical Workshop;
- Viet Nam Soya Milk Factory - VINASOY;
- Viet Nam Soya Milk Factory - VINASOY Bac Ninh;
- Viet Nam Soya Milk Factory - VINASOY Binh Duong;
- VINASOY Study and Application Center;
- VINASOY Study and Development Center;
- Pho Phong Sugar Factory;
- Environment and Clean Water Center;
- An Khe Sugar Factory;
- An Khe Biomass Power Plant;
- Candy And Biscuit Factory- BISCAFUN;
- Thach Bich Mineral Water Factory;
- Quang Ngai Glucose Syrup Factory;
- Mechanical Factory;
- Gia Lai Sugarcane Seed Study and Application Center.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### *Subsidiary*

Company name	Address	Principal activities	% holding and voting right
Thanh Phat Trade Limited Company	02 Nguyen Chi Thanh, Quang Ngai Province	Trading	100%

### 2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 01 January and ends on 31 December.

Currency unit used for accounting records and presented in the consolidated financial statements is Vietnamese Dong (VND).

### 3. Applied accounting standards and system

The Company adopts the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, which was guided under Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 amending and adding some articles of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance. These consolidated financial statements are prepared and presented in accordance with the provisions of Circular No. 202/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance.

### 4. Summary of significant accounting policies

#### 4.1 Principles and methods of preparing consolidated financial statements

##### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary.

##### **Subsidiary**

Subsidiary is entity controlled by the Company. Control is achieved where the Company has the power to directly or indirectly govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiary are consolidated from the effective date of control up to the date of cease to control.

The financial statements of the subsidiary are prepared for the same year as the Company, using consistent accounting policies. Adjustments are made for any differences in accounting policies that may exist to ensure consistency between the subsidiary and the Company.

Capital divestment of the Company from a subsidiary that does not result in a loss of control is accounted for as transactions with owners. If the capital divestment results in a loss of control, any resulting gain or loss is recognized in the consolidated income statement.

All intra-company balances and transactions, unrealized profits or losses arising from intra-company transactions, have been eliminated in full when preparing the consolidated financial statements.

##### **Non-controlling interests**

Non-controlling interests represent the portion of net assets in subsidiary not held by the Company and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

Non-controlling interests include non-controlling interests which are measured at their holding proportion in fair value of the net assets of subsidiary at the acquisition date and non-controlling interests in the fluctuations of total equity as from the consolidation date. Losses in subsidiary are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the portion of profit or loss of subsidiary not held by the Company, are determined based on the ratio of non-controlling interests and profit after corporate income tax of subsidiary and are presented separately in the consolidated income statement.

### 4.2 Exchange rate difference applied in accounting

Transactions denominated in foreign currency are translated into VND using the actual exchange rate announced by the commercial bank where the Company conducts transactions on the date of the transactions.

At the balance sheet date, monetary items denominated in foreign currency which are classified as assets are revaluated using the purchasing exchange rate and monetary items denominated in foreign currency which are classified as liabilities are revaluated using the selling exchange rate of the commercial bank where the Company regularly conducts transactions. For foreign currency deposited in bank, the exchange rate upon revaluation is the purchasing exchange rate of the bank where the Company opens foreign currency accounts.

Exchange rate differences are treated in accordance with the provisions of Vietnamese Accounting Standards No. 10 "Impacts of exchange rate fluctuations". Accordingly, foreign exchange differences arising during the year and exchange rate differences resulting from revaluating the closing balances of monetary items denominated in foreign currencies are recorded in the income statement of the fiscal year.

### 4.3 Cash and cash equivalents

Cash includes: cash on hand, demand deposits and cash in transit.

Cash equivalents are short-term investments which are collectible or mature within 3 months at the date of purchase, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date.

### 4.4 Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to re-buy them at a certain time in the future and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of investments.

### 4.5 Receivables

Receivables include trade receivables and other receivables.

- Trade receivables include commercial receivables generating from purchase-sale related transactions between the Company and buyers;
- Other receivables include non-commercial receivables, receivables not related to purchase-sale and intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or running away.

### 4.6 Inventories

Inventories are accounted for using the perpetual method and value of inventories is calculated using the weighted average method.

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

Cost of inventories comprises:

- Materials, goods: Cost comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition;
- Finished products: Cost comprises costs of direct materials and labour plus attributable overhead based on the normal level of activities.

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

### 4.7 Tangible fixed assets

#### *Cost*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

#### *Depreciation*

Depreciation of fixed assets is calculated in accordance with the straight-line method over their estimated useful lives. Depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 - 25
Machinery, equipment	3 - 15
Motor vehicles	3 - 10
Office equipment	3 - 10

### 4.8 Intangible fixed assets

#### *Cost*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### Land use rights

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The prepaid land rent (has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least five years) for the land rent contract before the effective date of the Land Act 2003 and being granted with certificate of land use right by the competent authority.

The cost of land use right includes all the costs directly attributable to the putting of land into the ready-for-use state.

### Amortization

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Other intangible fixed assets are amortized in accordance with the straight-line method over their estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kinds of assets</u>	<u>Amortization period (years)</u>
Land use rights with definite term	15
Management software	1.5 - 3

### 4.9 Asset leases

An operating lease is a lease in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

### 4.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company's primary prepayments are as follows:

- Land rental and all costs related to the leased land are amortized in accordance with the straight-line method over the term of the lease;
- Tools, instruments, empty bottles, boxes which were put into use are amortized in accordance with the straight-line method for a period ranging from 1 year to 3 years;
- Other prepaid expenses: The Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

### 4.11 Payables

Payables include trade payables and other payables:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

05/2022/TT-BKHCN dated 31/05/2022 of the Ministry of Science and Technology and Circular No. 67/2022/TT-BTC dated 07/11/2022 of the Ministry of Finance.

### 4.16 Owners' equity

Share capital represents the amount of capital actually contributed by shareholders.

#### *Share premium*

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares; the capital component of convertible bonds as they fall due.

#### *Treasury shares*

Treasury shares are the amounts payable to repurchase the shares that the Company has issued and all costs directly related to this repurchase transaction.

#### *Profit distribution*

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Resolution of Annual General Shareholders' Meeting.

The dividends to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

### 4.17 Recognition of revenue and other income

- Revenue from construction contracts:
  - ✓ In the case where it is stipulated in the contract that contractors make payments upon the work's progress, revenue and expenses are recorded for completed portion when the contract outcome is estimated reliably;
  - ✓ In the case where the contract stipulates that contractors make payment upon the work volume, revenue and expenses are recognized for the completed portion confirmed by the customer when the contract outcome is measured reliably.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
  - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;
  - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
  - ✓ Interest is recognized on the basis of the actual term and interest rates;
  - ✓ Dividends and profits shared are recognized when the Company assumes the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment.

- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

### 4.18 Revenue deductions

Revenue deductions include trade discounts, sales rebates and sales returns.

In case where revenue is recognized in during the year but the corresponding revenue deductions arise after the balance sheet date, revenue shall be decreased in accordance with the following principles:

- If the corresponding deductions arise before the date of releasing the financial statements, they shall be charged against revenue of the reporting year;
- If the corresponding revenue deductions arise after the date of releasing the financial statements, they shall be charged against revenue of the next reporting year.

### 4.19 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

### 4.20 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and losses on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

### 4.21 Selling expenses, administrative expenses

Selling expenses reflect expenses actually incurred in process of selling products, goods, rendering services.

Administrative expenses reflect expenses actually incurred related to the overall administration of enterprises.

### 4.22 Corporate income tax expense

Corporate income tax expenses include current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income in the period at the tax rates ruling at the balance sheet date. The difference between taxable income and accounting profit is due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 4.23 Financial instruments

#### Initial recognition

##### Financial assets

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets comprise cash on hand, cash in bank, trade receivables, other receivables and financial investments.

##### Financial liabilities

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities comprise loans, trade payables, accrued expenses and other payables.

#### Subsequent measurement

Currently, there has been no requirement for subsequent measurement of financial instruments.

### 4.24 Tax rates and charges payable to the State Budget which the Company is applying

- Value Added Tax (VAT):
  - ✓ 5% is applicable to sugar, molasses, malt.
  - ✓ 10% is applicable to products: mineral water, confectionery, milk, beer, packages, commercial electricity. From 01/07/2023 to 31/12/2023, a tax rate of 8% was applied to these goods according to the Government's Decree 44/2023/ND-CP.
  - ✓ Other products, services are subject to prevailing tax rates.
- Special consumption tax: A tax rate of 65% is applicable to beer.
- Natural resources tax:
  - ✓ Activity of exploiting mineral water at VND325,000/m<sup>3</sup> x tax rate (10%);
  - ✓ Activity of exploiting Tra Khuc River water at VND4,000/m<sup>3</sup> x tax rate (1%).
- Corporate Income Tax (CIT):  
Applicable CIT rate is 20%.

Incentives for some dependent units are listed below:

- ✓ Agricultural and Mechanical Workshop: Income from the activity of ploughing land and harvesting sugar cane is free of tax.
- ✓ VINASOY Soybean Research and Development Center (Nghia Hanh District, Quang Ngai Province): tax rate of 10% is applicable to the activities of planting and processing farm produce in area with difficult socio-economic conditions.
- ✓ An Khe Sugar Factory (An Khe Town, Gia Lai Province):
  - + For income from processing farm produce: CIT exemption is applicable to income from processing farm produce in area with extremely difficult socio-economic conditions.
  - + For other income from production and business activities: CIT rate of 10% is applicable for 15 years (from 2006 to 2020). From 2021, CIT rate of 20% is applicable.
  - + For the project of "Investment in RE refined sugar production line" which is a new investment project in the area with extremely difficult socio-economic conditions (under Investment



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

*(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)*

Registration Certificate with project code No. 4022187241 dated 13/05/2019), CIT incentives would be applied as below:

- CIT would be levied at the rate of 10% for the first 15 years of revenue generation from the project. In 2021, the Company generated revenue from the project. Hence, CIT rate of 10% would be applied from 2021 to 2035.
- CIT would be waived for 4 years and would be halved for the succeeding 9 years starting from the time of taxable income derivation from the project. In 2021, the Company derived taxable income from the project. Hence, the Company would enjoy CIT exemption from 2021 to 2024 and 50% CIT liability reduction from 2025 to 2033.
- ✓ Pho Phong Sugar Factory: Tax rate of 15% is applicable to income from the activity of processing farm produce in area without difficult socio-economic conditions or extremely difficult socio-economic conditions.
- ✓ Viet Nam Soya Milk Factory - VINASOY Binh Duong has the new investment project in 2016 satisfying conditions for tax incentives as regulated shall enjoy incentives for new investment. Accordingly, the factory is entitled to tax exemption for 2 years (from 2017 to 2018) and 50% reduction of tax amount payable in the subsequent 4 years (from 2019 to 2022) for income from new investment project as from 2017. Since 2023, the Factory's tax exemption and reduction period has expired, and the Factory is now subject to the current tax rate of 20%.
- ✓ Thach Bich Mineral Water Factory has the expansion investment project which was invested in 2017. Accordingly, the factory is entitled to tax exemption for 2 years (from 2017 to 2018) and 50% reduction of tax amount payable in the subsequent 4 years (from 2019 to 2022) with respect to income from the expansion investment project as from 2017. Since 2023, the Factory's tax exemption and reduction period has expired, and it is now subject to the current tax rate of 20%.
- ✓ An Khe Biomass Power Plant has the new investment project in the area with extremely difficult socio-economic conditions. Accordingly, the Plant is entitled to the tax rate of 10% for 15 years (from 2018 to 2032), tax exemption for 4 years (from 2018 to 2021) and 50% reduction of tax amount payable in the subsequent 9 years (from 2022 to 2030).
- ✓ Gia Lai Sugarcane Seed Study and Application Center: CIT exemption is applicable to the activities of planting and processing farm produce in area with extremely difficult socio-economic conditions.
- Other taxes and charges are paid in accordance with relevant regulations.

### 4.25 Related parties

Parties are considered to be related if one party has the ability to (directly or indirectly) control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

Unit: VND

### 5. Cash

		31/12/2023		01/01/2023
Cash on hand		17,688,823,033		33,465,707,896
+ VND		17,654,238,033		33,434,007,896
+ Monetary gold (SJC gold bar)	4 bars	28,400,000	4 bars	26,400,000
+ Monetary gold (SJC gold ring)	1 ring	6,185,000	1 ring	5,300,000
Cash in bank		271,793,449,825		169,153,411,142
+ VND		260,494,056,753		166,003,609,120
+ USD	470,668.06 #	11,299,375,403	134,833.70 #	3,149,785,454
+ EUR	0.67 #	17,669	0.67 #	16,568
<b>Total</b>		<b>289,482,272,858</b>		<b>202,619,119,038</b>

### 6. Held-to-maturity investments

	31/12/2023	01/01/2023
Term deposits	6,165,000,000,000	4,296,000,000,000
<b>Total</b>	<b>6,165,000,000,000</b>	<b>4,296,000,000,000</b>

As at 31/12/2023, held-to-maturity investments of the Company are bank deposits with terms ranging from 6 months to 1 year. The Management assesses that these investments are not impaired in value.

### 7. Short-term trade receivables

	31/12/2023	01/01/2023
MM Mega Market (Vietnam) Company Limited	2,538,250,683	2,189,325,727
EB Service Co., Ltd	2,654,937,103	2,878,505,004
Vietnam Electricity	47,217,431,595	30,175,130,025
Tetra Pak Vietnam Joint Stock Company	59,548,069,081	41,688,000,000
Frieslandcampina Ha Nam Co., Ltd	3,363,994,516	2,924,114,970
Frieslandcampina Vietnam Co., Ltd	20,970,495,000	-
Binh Duong Nutifood Nutrition Food Joint Stock Company	-	31,675,570,500
Vietnam Nutifood Nutrition Food Joint Stock Company	17,521,455,000	-
Other customers	94,301,593,149	34,776,074,295
<b>Total</b>	<b>248,116,226,127</b>	<b>146,306,720,521</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 8. Short-term prepayments to suppliers

	31/12/2023	01/01/2023
Prepayments to farmers for buying sugarcane	340,404,070,458	363,650,697,715
Other suppliers	39,451,885,782	47,292,529,563
<b>Total</b>	<b>379,855,956,240</b>	<b>410,943,227,278</b>

### 9. Other receivables

#### a. Short-term

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
Accrued bank interest	43,746,273,974	-	39,439,180,819	-
Advances	2,362,552,599	-	2,525,131,835	-
Deposits, collaterals	473,999,655	-	493,682,237	-
Other receivables	6,010,546,627	18,451,050	4,968,295,148	18,451,050
<b>Total</b>	<b>52,593,372,855</b>	<b>18,451,050</b>	<b>47,426,290,039</b>	<b>18,451,050</b>

#### b. Long-term

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
Deposits, collaterals	786,569,947	-	456,640,965	-
<b>Total</b>	<b>786,569,947</b>	<b>-</b>	<b>456,640,965</b>	<b>-</b>

### 10. Provision for doubtful debts

#### a. Short-term

	31/12/2023	01/01/2023
Provision for overdue receivables		
- From 3 years and over	17,305,905,303	13,544,300,467
- From 2 years to under 3 years	1,370,397,494	2,739,108,285
- From 1 year to under 2 years	329,795,048	1,038,855,353
- Over 6 months to under 1 year	221,025,041	145,407,029
<b>Total</b>	<b>19,227,122,886</b>	<b>17,467,671,134</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### b. Bad debts

Overdue receivables	31/12/2023			01/01/2023		
	Cost	Recoverable amount (*)	Overdue period	Cost	Recoverable amount (*)	Overdue period
- Trinh Van Hung	478,245,050	-	Over 3 years	478,245,050	-	Over 3 years
- Energy and Technology Development Company	750,000,000	-	Over 3 years	750,000,000	-	Over 3 years
- Pham Thi Chinh	117,903,750	-	Over 3 years	117,903,750	-	Over 3 years
- Vietnam Vinashin Mechanical Com	140,732,500	-	Over 3 years	140,732,500	-	Over 3 years
- Thuan Thanh Co., Ltd	272,811,481	-	Over 3 years	272,811,481	-	Over 3 years
- Nguyen Tai Danh	175,416,672	-	Over 3 years	175,416,672	-	Over 3 years
- Others	18,724,846,788	1,432,833,355	0,5 - 23 years	18,325,803,788	2,793,242,107	0,5 - 22 years
<b>Total</b>	<b>20,659,956,241</b>	<b>1,432,833,355</b>		<b>20,260,913,241</b>	<b>2,793,242,107</b>	

(\*) The Company assesses that recoverable amount is the net of outstanding principal balance less the amount of provision that needs to be appropriated as guided in Circular No. 48/2019/TT-BTC dated 08/08/2019 by the Ministry of Finance.

### 11. Inventories

	31/12/2023		01/01/2023	
	Cost	Provision	Cost	Provision
Goods in transit	36,879,787,829	-	56,302,790,425	-
Materials, raw materials	513,792,990,569	2,639,221,433	565,323,212,711	561,629,743
Tools, instruments	15,145,109,649	-	13,201,986,548	-
Work in process	52,064,386,622	-	58,618,495,027	-
Finished products	331,022,095,344	-	242,293,486,357	509,415,812
Merchandise goods	11,750,770,103	-	12,206,944,871	-
Goods on consignment	372,021,586	-	375,026,480	-
<b>Total</b>	<b>961,027,161,702</b>	<b>2,639,221,433</b>	<b>948,321,942,419</b>	<b>1,071,045,555</b>

- Value of inventories being materials that were unsellable, of poor quality or slow-moving as at 31/12/2023 was VND2,639,221,433.
- No inventories were mortgaged and pledged as security for debts as at 31/12/2023.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 12. Prepaid expenses

#### a. Short-term

	31/12/2023	01/01/2023
Chi phí trả trước về thuê hoạt động TSCĐ	170,059,341	170,059,347
Tools and instruments put into use pending allocation	5,641,026,667	11,660,856,732
Costs of bidding for sugar import tariff quota	-	34,001,000,000
Others	12,557,988,392	9,130,102,816
<b>Total</b>	<b>18,369,074,400</b>	<b>54,962,018,895</b>

#### b. Long-term

	31/12/2023	01/01/2023
Land lease	169,308,720,243	174,743,673,319
Tools and instruments put into use pending allocation	27,427,402,008	18,863,511,992
Bottles, cases	5,727,772,904	9,707,978,221
Others	36,416,113,072	25,668,503,046
<b>Total</b>	<b>238,880,008,227</b>	<b>228,983,666,578</b>

### 13. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
<b>Cost</b>					
Beginning balance	1,524,889,820,263	7,123,771,295,308	291,894,311,113	113,668,048,127	9,054,223,474,811
Newly-purchased	10,931,295,604	25,975,227,856	118,000,000	1,770,083,209	38,794,606,669
Self-constructed	5,729,389,811	124,387,472,389	2,521,000,000	10,090,414,504	142,728,276,704
Other increase	-	-	90,909,091	-	90,909,091
Sold, disposed	55,684,612	23,094,180,461	7,902,908,273	467,132,620	31,519,905,966
<b>Ending balance</b>	<b>1,541,494,821,066</b>	<b>7,251,039,815,092</b>	<b>286,721,311,931</b>	<b>125,061,413,220</b>	<b>9,204,317,361,309</b>
<b>Depreciation</b>					
Beginning balance	969,557,070,204	3,884,688,719,776	201,612,421,560	92,710,925,599	5,148,569,137,139
Increase in the year	90,924,040,496	327,283,467,543	11,855,740,596	6,987,750,455	437,050,999,090
- Depreciation	90,906,728,829	327,273,244,236	11,764,831,505	6,631,283,788	436,576,088,358
- Using STDF	17,311,667	10,223,307	-	356,466,667	384,001,641
- Other increase	-	-	90,909,091	-	90,909,091
Sold, disposed	55,684,612	23,094,180,461	7,902,908,273	467,132,620	31,519,905,966
<b>Ending balance</b>	<b>1,060,425,426,088</b>	<b>4,188,878,006,858</b>	<b>205,565,253,883</b>	<b>99,231,543,434</b>	<b>5,554,100,230,263</b>
<b>Net book value</b>					
Beginning balance	555,332,750,059	3,239,082,575,532	90,281,889,553	20,957,122,528	3,905,654,337,672
<b>Ending balance</b>	<b>481,069,394,978</b>	<b>3,062,161,808,234</b>	<b>81,156,058,048</b>	<b>25,829,869,786</b>	<b>3,650,217,131,046</b>

- As at 31/12/2023, tangible fixed assets with a carrying value of VND1,231,168 have been mortgaged as collateral for borrowings granted to the Company.
- Cost of tangible fixed assets fully depreciated but still in active use as at 31/12/2023 was VND3,003,923,738,981.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 14. Intangible fixed assets

	Land use rights	Computer software	Total
<b>Cost</b>			
Beginning balance	2,474,678,545	60,387,258,850	62,861,937,395
Newly-purchased	-	11,624,393,030	11,624,393,030
Decrease	-	-	-
<b>Ending balance</b>	<b>2,474,678,545</b>	<b>72,011,651,880</b>	<b>74,486,330,425</b>
<b>Amortization</b>			
Beginning balance	931,802,457	54,056,790,483	54,988,592,940
Charge for the year	32,223,003	3,413,148,145	3,445,371,148
- Amortization	32,223,003	3,399,540,712	3,431,763,715
- Using STDF	-	13,607,433	13,607,433
Decrease	-	-	-
<b>Ending balance</b>	<b>964,025,460</b>	<b>57,469,938,628</b>	<b>58,433,964,088</b>
<b>Net book value</b>			
Beginning balance	1,542,876,088	6,330,468,367	7,873,344,455
<b>Ending balance</b>	<b>1,510,653,085</b>	<b>14,541,713,252</b>	<b>16,052,366,337</b>

- No intangible fixed assets were mortgaged as collateral for debts as at 31/12/2023.
- Cost of intangible fixed assets fully amortized but still in active use as at 31/12/2023 was VND55,411,045,175.

### 15. Construction in progress

	31/12/2023	01/01/2023
<b>Purchases</b>	<b>12,480,298,597</b>	<b>12,496,895,837</b>
- Land of households	12,480,298,597	12,496,895,837
<b>Constructions</b>	<b>41,003,260,658</b>	<b>20,583,984,422</b>
- Biomass thermal power plant project	1,597,406,604	1,217,212,585
- Others	39,405,854,054	19,366,771,837
<b>Total</b>	<b>53,483,559,255</b>	<b>33,080,880,259</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 16. Short-term trade payables

	31/12/2023	01/01/2023
Asia Packing Industries Vietnam Co., Ltd.	5,906,133,045	8,995,260,201
Thai Tan Trading Transport Co., Ltd	4,928,606,906	5,913,317,579
Brenntag Vietnam Co., Ltd	5,706,568,560	6,123,256,884
Khatoco Package Printing JSC	6,555,291,001	10,263,758,830
Tetra Pak Vietnam JSC	13,550,135,298	9,687,621,300
Vietnam Japan Fertilizer Company	15,115,698,000	23,482,859,000
Asia Chemical Corporation	7,035,765,913	7,430,371,183
Kinh Bac Packaging JSC	5,518,008,036	2,966,329,847
TKL Corporation	16,982,015,339	28,305,808,549
Minh Thong Production and Trading Co., Ltd.	2,046,423,620	1,698,460,380
Technology Development & Application Co., Ltd	95,578,355,678	113,113,552,660
Urban & Industrial Zone Construction JSC	-	175,093,550
Nguyen Lieu Technical & Trading Co., Ltd	-	197,635,736
Crown Beverage Cans Danang Limited	2,594,162,633	3,823,152,096
Others	274,802,644,713	256,751,240,599
<b>Total</b>	<b>456,319,808,742</b>	<b>478,927,718,394</b>

### 17. Short-term advances from customers

	31/12/2023	01/01/2023
KV2 - Hoang Trung Trading Co. Ltd	71,584,654	30,293,747
TH Ngoc Anh Service and Trading Co., Ltd	445,266,337	463,765,340
Binh Huy Hoang Co., Ltd	453,145,917	405,256,858
Thanh Hanh Iron Rolling Co., Ltd	-	1,000,000,000
Lan Son Trading Co., Ltd	641,073,750	436,020,425
Thang Thuy Trading and Service Co., Ltd	63,721,101	171,561,494
Viet Chien Transport Co., Ltd	73,211,007	579,822,802
Wala Wang investment Co., Ltd	86,656,357	2,423,788,989
CKL Food Industries Pte Ltd	4,269,047,506	4,249,796,824
Fujiura Ltd, ( Fujiura )	3,803,687,240	-
Others	25,625,032,335	22,228,234,743
<b>Total</b>	<b>35,532,426,204</b>	<b>31,988,541,222</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 18. Taxes and other amounts receivable from/payable to the State

	Beginning balance		Occurrence in the year		Ending balance	
	Receivable	Payable	Amount to be paid	Actual amount paid	Receivable	Payable
VAT	-	7,159,328,277	428,807,883,644	420,308,093,350	-	15,659,118,571
Import VAT	-	-	22,026,814,952	22,026,814,952	-	-
Special consumption tax	-	17,495,531,771	244,579,777,968	245,303,161,369	-	16,772,148,370
Import-export duty	-	-	772,921,662	772,921,662	-	-
CIT	118,060,348	95,488,565,216	263,301,665,333	245,637,015,090	-	113,035,155,111
PIT	79,279,529	72,799,085	45,611,381,470	45,535,661,169	-	69,239,857
Natural resources tax	-	178,539,250	2,126,682,623	2,131,300,323	-	173,921,530
Land and house tax, land rent	1,919,505,495	-	4,446,137,746	3,268,014,335	741,382,084	-
Other taxes	28,782,983	-	1,213,640,461	1,183,470,948	-	1,386,530
Fees and charges	-	11,077,250	168,981,250	169,374,250	-	10,684,250
<b>Total</b>	<b>2,145,628,355</b>	<b>120,405,840,829</b>	<b>1,013,055,887,109</b>	<b>986,335,827,448</b>	<b>741,382,084</b>	<b>145,721,654,219</b>

The Company's tax returns are subject to examination by the tax authorities. The tax amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### 19. Short-term accrued expenses

	31/12/2023	01/01/2023
Accrued selling expenses	538,163,543	371,956,566
Accrued loan interest	2,142,976,794	2,484,652,651
Other accruals	658,236,749	792,642,407
<b>Total</b>	<b>3,339,377,086</b>	<b>3,649,251,624</b>

### 20. Other payables

#### a. Short-term

	31/12/2023	01/01/2023
Trade union fees	400,655,177	400,655,177
Social insurance, health insurance, unemployment insurance	901,226,689	965,064,402
Short-term deposits, collaterals received	13,942,107,004	13,893,900,083
Dividend, profit payable	150,277,175	120,967,775
Others	27,033,297,652	27,374,516,459
<b>Total</b>	<b>42,427,563,697</b>	<b>42,755,103,896</b>

#### b. Long-term

	31/12/2023	01/01/2023
Long-term deposits, collaterals received	8,251,004,364	10,510,373,364
<b>Total</b>	<b>8,251,004,364</b>	<b>10,510,373,364</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 21. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
<b>Short-term loans</b>	<b>1,895,895,232,086</b>	<b>6,761,780,787,221</b>	<b>6,246,359,786,374</b>	<b>2,411,316,232,933</b>
- BIDV - Quang Ngai Branch	1,163,110,523,869	2,835,561,466,385	2,889,954,310,389	1,108,717,681,865
- VietinBank - Quang Ngai Branch	561,757,830,642	1,928,996,622,288	1,918,293,697,956	572,460,754,974
- Vietcombank - Quang Ngai Branch	171,026,875,575	1,843,488,914,542	1,438,111,778,029	576,404,012,088
- Military Bank - Quang Ngai Branch	-	153,733,784,006	-	153,733,784,006
<b>Total</b>	<b>1,895,895,232,086</b>	<b>6,761,780,787,221</b>	<b>6,246,359,786,374</b>	<b>2,411,316,232,933</b>

### 22. Science and technology development fund

	Year 2023	Year 2022
<b>Beginning balance</b>	<b>41,030,436,646</b>	<b>50,734,733,259</b>
Increase in the year (appropriation for fund)	150,000,000,000	-
Decrease in the year	8,563,583,133	9,704,296,613
<b>Ending balance</b>	<b>182,466,853,513</b>	<b>41,030,436,646</b>

The Company appropriated and used the science and technology development fund to serve its science and technology activities in accordance with the guidance of Joint Circular No. 12/2016/TTLT-BKHCN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance (applicable from 01/09/2016 onwards), Circular No. 05/2022/TT-BKHCN dated 31/05/2022 of the Ministry of Science and Technology on guiding the establishment, organization, operation, management and use of science and technology development fund of enterprises and Circular No. 67/2022/TT-BTC dated 07/11/2022 of the Ministry of Finance on guidelines for tax obligations when enterprises establish and use science and technology development funds.

### 23. Owners' equity

#### a. Statement of changes in owners' equity

	Share capital	Share premium	Treasury shares	Development investment fund	Undistributed profit
As at 01/01/2022	3,569,399,550,000	353,499,663,780	(834,457,318,216)	638,166,434,928	3,368,279,199,957
Increase in the year				37,606,925,354	1,286,743,585,580
Decrease in the year					954,358,617,139
As at 31/12/2022	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>(834,457,318,216)</u>	<u>675,773,360,282</u>	<u>3,700,664,168,398</u>
As at 01/01/2023	3,569,399,550,000	353,499,663,780	(834,457,318,216)	675,773,360,282	3,700,664,168,398
Increase in the year				38,602,307,567	2,183,465,275,447
Decrease in the year					1,106,388,468,423
As at 31/12/2023	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>(834,457,318,216)</u>	<u>714,375,667,849</u>	<u>4,777,740,975,422</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### b. Capital transactions with owners

	Year 2023	Year 2022
<b>Share capital</b>		
- Beginning balance	3,569,399,550,000	3,569,399,550,000
- Increase in the year	-	-
- Decrease in the year	-	-
- Ending balance	3,569,399,550,000	3,569,399,550,000

Changes in share capital in the year are as follows:

	Year 2023		Year 2022	
	Number of shares	Share capital	Number of shares	Share capital
<b>Beginning balance</b>	<b>356,939,955</b>	<b>3,569,399,550,000</b>	<b>356,939,955</b>	<b>3,569,399,550,000</b>
Increase in the year	-	-	-	-
Decrease in the year	-	-	-	-
<b>Ending balance</b>	<b>356,939,955</b>	<b>3,569,399,550,000</b>	<b>356,939,955</b>	<b>3,569,399,550,000</b>

### c. Shares

	31/12/2023 Shares	01/01/2023 Shares
Number of shares registered to be issued	356,939,955	356,939,955
Number of shares issued publicly	356,939,955	356,939,955
- Common shares	356,939,955	356,939,955
- Preferred shares	-	-
Number of shares bought back (treasury shares)	55,534,605	55,534,605
- Common shares	55,534,605	55,534,605
- Preferred shares	-	-
Number of outstanding shares	301,405,350	301,405,350
- Common shares	301,405,350	301,405,350
- Preferred shares	-	-
Par value of outstanding shares: VND10,000 each		

The Company's treasury shares are held by its subsidiary (Thanh Phat Trade Limited Company). As at 31/12/2023 and 01/01/2023, Thanh Phat Trade Limited Company was holding 55,534,605 shares of the Company (of which, number of purchased shares: 16,467,808 shares; number of shares from stock dividends: 39,066,797 shares).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### d. Undistributed profit

	Year 2023	Năm 2022
Profit brought forward	3,700,664,168,398	3,368,279,199,957
Profit after corporate income tax this year	2,183,465,275,447	1,286,743,585,580
Distribution of profit	1,106,388,468,423	954,358,617,139
- Distribution of prior-year profit	804,983,118,423	803,655,942,139
+ Appropriated to development investment fund	38,602,307,567	37,606,925,354
+ Appropriated to reward and welfare fund	12,867,435,856	12,535,641,785
+ Paying cash dividend	753,513,375,000	753,513,375,000
- Temporary distribution of current-year profit	301,405,350,000	150,702,675,000
+ Paying cash dividend	301,405,350,000	150,702,675,000
<b>Undistributed profit after tax</b>	<b>4,777,740,975,422</b>	<b>3,700,664,168,398</b>

### e. Dividends

#### Payment of 2022 dividends:

Resolution No. 21/NQ/QNS-DHDCD2023 dated 01/04/2023 of the 2023 Annual General Shareholders' Meeting approved to pay dividends from the profit of the year 2022 (in cash) at the rate of 30% of the charter capital.

The Company paid dividends as follows:

- ✓ 1<sup>st</sup> payment: Paying in advance at the rate of 5% of the charter capital, equivalent to VND178,469,977,500 (Date of finalizing the list of shareholders: 26/08/2022; payment date: 09/09/2022);
- ✓ 2<sup>nd</sup> payment: Paying in advance at the rate of 10% of the charter capital, equivalent to VND356,939,955,000 (Date of finalizing the list of shareholders: 05/01/2023; Payment date: 16/01/2023);
- ✓ 3<sup>rd</sup> payment: Paying the remaining dividends at the rate of 15% of the charter capital, equivalent to VND535,409,932,500 (Date of finalizing the list of shareholders: 18/04/2023; Payment date: 27/04/2023).

#### Advance payment of 2023 dividends:

According to Resolution No. 44/NQ/QNS-HDQT dated 09/08/2023 of the Board of Directors, the first advance payment of 2023 dividends is made in cash at the rate of 10% of the charter capital, equivalent to VND356,939,955,000 (Date of finalizing the list of shareholders: 24/08/2023, payment date: 07/09/2023).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 24. Off-balance sheet items

#### a. Leased assets

The amounts of minimum lease payments payable under operating leases are as follows:

	31/12/2023	01/01/2023
Not later than 1 year	6,898,069,842	6,848,243,284
Later than 1 year and not later than 5 years	27,592,279,368	27,411,644,330
Later than 5 years	264,310,027,896	270,147,007,324
<b>Total</b>	<b>298,800,377,106</b>	<b>304,406,894,938</b>

#### b. Foreign currencies

	31/12/2023	01/01/2023
Tiền gửi ngân hàng		
+USD	470,668.06	134,833.70
+EUR	0.67	0.67

#### c. Monetary gold

	31/12/2023	01/01/2023
+ Monetary gold (SJC gold bar)	4 bars	4 bars
+ Monetary gold (SJC gold ring)	1 ring	1 ring

### 25. Revenue from sales and service provision

	Year 2023	Year 2022
Revenue from sales of finished products	9,761,689,554,629	8,025,364,560,217
Revenue from sales of merchandise goods	253,293,210,000	238,290,140,000
Revenue from rendering of services	66,635,106,650	55,294,597,622
<b>Total</b>	<b>10,081,617,871,279</b>	<b>8,318,949,297,839</b>

### 26. Revenue deductions

	Year 2023	Year 2022
Trade discounts	54,099,835,134	56,141,838,999
Sales returns	6,282,771,946	7,803,779,018
<b>Total</b>	<b>60,382,607,080</b>	<b>63,945,618,017</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 30. Selling expenses and administrative expenses

#### a. Selling expenses incurred in the year

	Year 2023	Year 2022
Staff costs	293,757,619,661	310,346,469,349
Transportation, loading and unloading expenses	243,474,606,862	220,287,034,482
Advertising and media expenses	145,051,675,982	189,832,907,358
Expenses for promotion, free samples, giveaways	28,558,002,784	36,839,854,441
Showroom, sampling expenses	24,214,136,763	39,572,398,415
Agent commission, sales support	16,291,619,125	10,999,672,639
Other outside service expenses	35,047,207,606	50,129,003,964
Others	19,097,091,796	10,289,661,992
<b>Total</b>	<b>805,491,960,579</b>	<b>868,297,002,640</b>

#### b. Administrative expenses incurred in the year

	Year 2023	Year 2022
Staff costs	134,765,741,506	133,382,074,582
Outside service expenses	28,411,422,490	28,420,212,233
Guest entertainment expenses	4,878,660,497	4,031,858,928
Materials, office supplies expenses	5,512,760,778	6,626,425,730
Appropriation to science and technology development fund	150,000,000,000	-
Appropriation to/(reversal of) provision for doubtful debts	1,759,451,752	1,449,283,379
Others	66,018,178,540	58,152,563,808
<b>Total</b>	<b>391,346,215,563</b>	<b>232,062,418,660</b>

### 31. Other income

	Year 2023	Year 2022
Marketing support received	86,441,598,565	38,600,000,000
Proceeds from disposals of materials, fixed assets	5,509,129,490	3,037,092,260
Others	2,045,221,824	2,119,960,160
<b>Total</b>	<b>93,995,949,879</b>	<b>43,757,052,420</b>

### 32. Other expenses

	Year 2023	Year 2022
Penalties, late payment fines	419,217,226	810,116,005
Others	2,449,343,025	3,510,391,904
<b>Total</b>	<b>2,868,560,251</b>	<b>4,320,507,909</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 33. Current corporate income tax expense

	Year 2023	Year 2022
Accounting profit before tax	2,446,847,884,041	1,505,322,901,629
Adjustments to taxable income	8,891,801,239	6,575,817,561
- Increase	9,302,242,542	6,896,321,510
+ Foreign exchange loss from revaluation of balances of cash, receivables	185,919,946	-
+ Foreign exchange gain from revaluation of balance of cash, receivables - prior year	831,624,159	-
+ Improper, unqualified expenses	8,284,698,437	6,896,321,510
- Decrease	5,725,000	831,699,159
+ Foreign exchange gain from revaluation of balances of cash, receivables	2,745,000	831,699,159
+ Other decrease adjustments	2,980,000	-
- Adjustment to unrealized gain/loss	(404,716,303)	511,195,210
+ Increase from unrealized profit this year	128,949,720	533,666,023
+ Decrease from prior-year profit realized this year	(533,666,023)	(22,470,813)
Total taxable income	2,455,739,685,280	1,511,898,719,190
Tax-exempted income	968,101,956,457	343,604,252,724
Total assessable income	1,487,637,728,823	1,168,294,466,466
Current corporate income tax expense	263,301,665,333	218,681,555,091
In which:		
- Current-year income tax expenses	262,526,215,459	218,558,323,337
- Adjusting prior-year income tax expenses to current-year income tax expenses	775,449,874	123,231,754

### 34. Basic/diluted earnings per share

	Year 2023	Year 2022
Profit after corporate income tax	2,183,465,275,447	1,286,743,585,580
Adjustments increasing or decreasing profit after tax	(21,834,652,754)	(12,867,435,856)
- Increase	-	-
- Decrease (appropriated to reward and welfare fund)	21,834,652,754	12,867,435,856
Profit or loss attributable to common shareholders	2,161,630,622,693	1,273,876,149,724
Weighted average number of outstanding common shares	301,405,350	301,405,350
Basic/diluted earnings per share	7,172	4,226



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### Weighted average number of outstanding common shares:

	Year 2023	Year 2022
Common shares brought forward from prior year (excluding treasury shares)	301,405,350	301,405,350
Effect of common shares issued to pay dividends	-	-
Effect of additional shares issued to employees	-	-
Weighted average number of common shares in circulation in the year	<u>301,405,350</u>	<u>301,405,350</u>

### 35. Operating expenses by element

	Year 2023	Year 2022
Materials expenses	4,832,874,140,432	4,110,878,457,651
Labor costs	637,773,076,870	603,744,151,902
Depreciation expenses	440,007,852,073	484,096,442,436
Outside service expenses	646,331,212,221	605,912,656,785
Other cash expenses	677,885,286,777	694,882,799,750
<b>Total</b>	<u><b>7,234,871,568,373</b></u>	<u><b>6,499,514,508,524</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 36. Segment reporting

Segment reporting of the Company was prepared in accordance with business activities of each dependent unit and subsidiary as follows:

Segment report by operating activities	Sugar		Soy milk		Thanh Phat		Others		Elimination		Total	
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023	Year 2022
Segment revenue	4,036,798,413,675	1,972,671,994,636	4,002,769,608,392	4,304,575,061,040	2,434,219,040,500	1,582,323,665,189	1,707,841,382,931	1,704,243,625,410	(2,160,393,181,299)	(1,308,810,666,453)	10,021,235,264,199	8,255,003,679,822
Cost of segment	2,780,400,608,753	1,597,910,424,195	2,359,956,789,086	2,552,542,240,898	2,394,770,912,457	1,543,640,661,296	1,283,204,045,788	1,398,031,977,106	(2,147,939,721,304)	(1,296,047,295,403)	6,670,392,634,780	5,796,078,008,092
Gross profit	<u>1,256,397,804,922</u>	<u>374,761,570,441</u>	<u>1,642,812,819,306</u>	<u>1,752,032,820,142</u>	<u>39,448,128,043</u>	<u>38,683,003,893</u>	<u>424,637,337,143</u>	<u>306,211,648,304</u>	<u>(12,453,459,995)</u>	<u>(12,763,371,050)</u>	<u>3,350,842,629,419</u>	<u>2,458,925,671,730</u>
Financial income											340,607,535,831	191,042,786,716
Financial expenses											138,891,494,095	81,722,680,028
Selling expenses											805,491,960,579	868,297,902,640
Administrative expenses											391,346,215,561	232,062,418,660
Operating profit											<u>2,355,720,494,413</u>	<u>1,465,886,357,118</u>
Other income											93,995,949,879	43,757,052,420
Other expenses											2,808,560,251	4,330,567,909
Other profit											<u>91,127,389,628</u>	<u>39,426,484,511</u>
Profit before tax											2,446,847,884,041	1,505,322,901,629
Corporate income tax											263,382,608,594	218,579,316,049
Profit after tax											<u>2,183,465,275,447</u>	<u>1,286,743,585,580</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

31/12/2023	Segment assets					Depreciation of fixed assets in 2023
	Cost of tangible fixed assets	Accumulated depreciation	Receivables	Total assets	Payables	
Manufacturing and trading Sugar	3,714,930,538,073	(1,885,360,525,937)	409,514,989,748	2,504,949,114,986	165,543,576,530	219,267,312,886
Manufacturing and trading Soya milk	2,163,783,924,889	(1,822,349,155,176)	96,922,592,379	989,005,768,060	168,360,214,580	80,260,339,896
Thanh Phat Trade Co., Ltd	2,733,593,085	(2,588,033,572)	175,287,437,837	1,011,552,806,106	16,591,637,850	44,799,818
Other operating activities	3,322,869,305,262	(1,843,802,515,578)	155,254,463,009	9,356,671,796,233	3,296,565,039,598	140,435,399,473
	<u>9,204,317,361,309</u>	<u>(5,554,100,230,263)</u>	<u>836,979,482,973</u>	<u>13,862,179,485,385</u>	<u>3,647,060,468,558</u>	<u>440,007,852,073</u>
Eliminations	-	-	(174,854,480,690)	(1,809,414,958,682)	(174,854,480,690)	-
<b>Total</b>	<u>9,204,317,361,309</u>	<u>(5,554,100,230,263)</u>	<u>662,125,002,283</u>	<u>12,052,764,526,703</u>	<u>3,472,205,987,868</u>	<u>440,007,852,073</u>

01/01/2023	Segment assets					Depreciation of fixed assets in 2022
	Cost of tangible fixed assets	Accumulated depreciation	Receivables	Total assets	Payables	
Manufacturing and trading Sugar	3,682,654,401,617	(1,675,938,341,507)	391,795,284,492	2,748,032,113,881	118,271,000,914	217,128,616,155
Manufacturing and trading Soya milk	2,083,135,588,367	(1,752,374,563,181)	70,153,971,204	890,797,413,326	181,025,581,868	91,579,656,068
Thanh Phat Trade Co., Ltd	2,733,593,085	(2,543,233,754)	146,633,730,096	984,609,486,760	17,487,168,134	60,188,399
Other operating activities	3,285,699,891,742	(1,717,712,998,697)	125,285,636,741	7,424,112,840,946	2,631,004,428,719	175,327,981,814
	<u>9,054,223,474,811</u>	<u>(5,148,569,137,139)</u>	<u>733,868,622,533</u>	<u>12,047,551,854,913</u>	<u>2,947,788,179,635</u>	<u>484,096,442,436</u>
Eliminations	-	-	(146,203,414,864)	(1,781,087,665,898)	(146,203,414,864)	-
<b>Total</b>	<u>9,054,223,474,811</u>	<u>(5,148,569,137,139)</u>	<u>587,665,207,669</u>	<u>10,266,464,189,015</u>	<u>2,801,584,764,771</u>	<u>484,096,442,436</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### 37. Risk management

#### a. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

#### b. Financial risk management

Financial risks include market risk (including interest rate risk, exchange rate risk, commodity price risk), credit risk and liquidity risk.

**Market risk management:** The Company's activities expose it primarily to the financial risks of changes in interest rates, exchange rates and prices.

##### *Interest rate risk management*

The Company's interest rate risks mainly derive from interest bearing loans which are arranged. To minimize these risks, the Company has estimated the impact of borrowing costs to its periodic business results as well as making analysis and projection to select appropriate time to repay the loans. The Management assesses that uncontrollable risks arising from fluctuations of interest rates are low.

##### *Exchange rate risk management*

Since the Company undertakes transactions in foreign currencies, consequently it is exposed to risk of exchange rate fluctuations. The Company has hedged risks related to exchange rate fluctuations by maintaining an appropriate structure of loans in foreign currency and VND, optimizing the time for settlement of debts, selecting the appropriate time to purchase and make payment in foreign currencies, projecting future exchange rates and optimizing the utilization of existing funds to balance the exchange rate risk and liquidity risk.

Book value of financial instruments in foreign currencies at the end of the year is as follows:

	31/12/2023	01/01/2023
<b>Financial assets</b>		
Cash		
- USD	470,668.06	134,833.70
- EUR	0.67	0.67
<b>Financial liabilities</b>		
Trade payables (USD)	488,728.01	751,202.63
Trade payables (EUR)	35,000.00	-
Other payables (USD)	72,773.25	65,793.25

##### *Price risk management*

The Company purchases goods, materials from domestic and overseas suppliers for its business production activities; it is therefore exposed to risks of changes in prices of input goods, materials. Since materials account for a high proportion of the total cost of products, the Company pays special attention to the risks of changes in price of materials used in its business production activities. To minimize this risk, the Company selects reputable suppliers, long-term cooperation suppliers and always requires updates of the most timely price fluctuations. Besides, cross-checks of prices are often done in order to ensure sufficient material sources at the most reasonable prices. With such price management policies, the Management assesses that the Company's exposure to uncontrollable risks of changes in commodity prices is low.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### Credit risk management

#### Trade receivables

The Company sells goods by the following methods: wholesale through the main distributors and agents and retail sale through its subsidiary, Thanh Phat Trade Limited Company.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's financial risks arise from some amounts receivable. The Company minimizes credit risk by various measures depending on the sale method:

- Selling goods through main distributors: Making payment before receiving goods or late payment.
- Selling goods through agents: The Company has a system of agents who have good financial status. Agents will be entitled to preferential sales policies on price, volume, and payment discount. Depending on each item and each time, the agents shall be entitled to appropriate payment terms such as payment before receiving goods (Sugar, Milk, Beer ...) or late payment.
- Retail sale: through retail outlets of Thanh Phat Trade Limited Company with the form of cash collection or bank transfer.

Therefore, the Management assesses that the Company's exposure to significant credit risk arising from trade receivables is controllable.

#### Financial investments

Bank deposits of the Company are transacted at large banks. The Management of the Company assesses that the Company has no significant credit risk with respect to bank deposits.

### Liquidity risk management

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds that can be generated within that period,...

The Company's aggregate financial liabilities are categorized in line with their maturity as follows:

31/12/2023	Within 1 year	Over 1 year	Total
Trade payables	456,319,808,742	-	456,319,808,742
Accrued expenses	3,339,377,086	-	3,339,377,086
Loans and finance lease liabilities	2,411,316,232,933	-	2,411,316,232,933
Other payables	41,125,681,831	8,251,004,364	49,376,686,195
<b>Total</b>	<b>2,912,101,100,592</b>	<b>8,251,004,364</b>	<b>2,920,352,104,956</b>
01/01/2023	Within 1 year	Over 1 year	Total
Trade payables	478,927,718,394	-	478,927,718,394
Accrued expenses	3,649,251,624	-	3,649,251,624
Loans and finance lease liabilities	1,895,895,232,086	-	1,895,895,232,086
Other payables	41,389,384,317	10,510,373,364	51,899,757,681
<b>Total</b>	<b>2,419,861,586,421</b>	<b>10,510,373,364</b>	<b>2,430,371,959,785</b>

The Company is not exposed to liquidity risk in the short term. Thus the Management believes that the Company can generate sufficient resources to meet its financial obligations as they fall due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

The Company's available financial assets are drawn up on a net asset basis as follows:

31/12/2023	Within 1 year	Over 1 year	Total
Cash and cash equivalents	289,482,272,858	-	289,482,272,858
Held-to-maturity investments	6,165,000,000,000	-	6,165,000,000,000
Trade receivables	244,460,458,051	-	244,460,458,051
Other receivables	50,212,369,206	786,569,947	50,998,939,153
<b>Total</b>	<b>6,749,155,100,115</b>	<b>786,569,947</b>	<b>6,749,941,670,062</b>

01/01/2023	Within 1 year	Over 1 year	Total
Cash and cash equivalents	202,619,119,038	-	202,619,119,038
Held-to-maturity investments	4,296,000,000,000	-	4,296,000,000,000
Trade receivables	142,836,151,445	-	142,836,151,445
Other receivables	44,882,707,154	456,640,965	45,339,348,119
<b>Total</b>	<b>4,686,337,977,637</b>	<b>456,640,965</b>	<b>4,686,794,618,602</b>

### 38. Related party information

#### a. Related parties

	Relationship
Phuc Thinh One Member Co., Ltd	Owned by Mr. Tran Tan Huyen (brother-in-law of Mr. Nguyen Thanh Huy - Member of Board of Supervisors).
Ngo Vu Phuong Giang	Daughter of Mr. Ngo Van Tu - Member of Board of Directors
Hong Van Service Trading One Member Co., Ltd	Owned by Mrs. Ta Thi Hong Van (Spouse of Mr. Dang Phu Quy - Member of Boards of Directors and Vice General Director.

#### b. Significant transactions with related parties

Related parties	Particulars	Year 2023	Year 2022
<b>Phuc Thinh One Member Co., Ltd</b>			
	Purchasing supplies; outsourcing fire protection system repair and maintenance services	2,255,781,165	125,779,363
<b>Ngo Vu Phuong Giang</b>			
	Purchasing consultancy services as a media consulting expert role for Vinasoy	-	266,666,664
<b>Hong Van Service Trading One Member Co., Ltd</b>			
	Renting accommodation and passenger transportation services	30,496,632	34,388,891



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the consolidated financial statements)

### c. Year-end balances with related parties:

	31/12/23	01/01/2023
<b>Phuc Thinh One Member Co., Ltd</b>		
Short-term trade payables	158,088,965	-
Short-term prepayments to suppliers	-	340,718,846

### d. Salaries, remuneration of the Board of Directors, Board of Supervisors, Management and Chief Accountant

In 2023, the Board of Directors and the Board of Supervisors did not receive any remuneration. The Management and Chief Accountant received salaries for their participation in the management of the Company. Details are as follows:

Name	Position	Year 2023	Year 2022
Vo Thanh Dang	General Director	1,673,834,000	1,663,108,000
Tran Ngoc Phuong	Vice General Director	1,072,900,000	1,069,800,000
Dang Phu Quy	Vice General Director	1,072,900,000	305,270,370
Nguyen The Binh	Chief Accountant	812,900,000	809,800,000

### 39. Events after the balance sheet date

On 25/12/2023, the Board of Directors of the Company issued Resolution No. 62/NQ/QNS-HDQT on the 2<sup>nd</sup> advance payment of 2023 dividends in cash at the rate of 10% of the charter capital, equivalent to VND356,939,955,000. Accordingly, the date for finalizing the list of shareholders receiving dividends: 11/01/2024, the date of dividend payment: 24/01/2024.

Apart from that, there have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

### 40. Corresponding figures

Corresponding figures were taken from the consolidated financial statements for the year ended 31/12/2022 which were audited by AAC.



Vo Thanh Dang  
General Director

Quang Ngai Province, 28 February 2024

Nguyen The Binh  
Chief Accountant

Nguyen Hong Diep  
Preparer