



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

**QUANG NGAI SUGAR
JOINT STOCK COMPANY**

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 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 20/12/2016 with stock code QNS.

Charter capital as at 31/12/2023: VND3,569,399,550,000.

As at 31/12/2023, the Company has 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 Soybean Research and Application Center;
- VINASOY Soybean Research 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%

Head office

- Address: 02 Nguyen Chi Thanh Street, Quang Phu Ward, Quang Ngai City, Quang Ngai Province.
- Tel: (84) 0255.3726 110

REPORT OF THE MANAGEMENT (CONT'D)

- Fax: (84) 0255.3822 843
- Website: www.qns.com.vn

Principal 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 waters. 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, growing 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 CO₂ and industrial CO₂; Manufacturing and trading yeast products; Manufacturing and trading plant-based food products;
- Manufacture of structural metal products;

REPORT OF THE MANAGEMENT (CONT'D)

- 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 system installation;
- Plumbing, heat and air-conditioning system installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading in soybean seeds, raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Detail: 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 growing of sugar cane; Propagation and growing 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.

Employees

As at 31/12/2023, the Company had 3,933 employees, including 147 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 |

REPORT OF THE MANAGEMENT (CONT'D)

- | | | |
|-----------------------|--------|---------------------------|
| • 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 financial statements have been audited by AAC Auditing and Accounting Co., Ltd. (Head office: Lot 78-80, 30th April Street, Hai Chau District, Da Nang City; Telephone: (84) 236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

Statement of the Management's responsibility in respect of the financial statements

The Management of the Company is responsible for preparation and fair presentation of these 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

On behalf of the Management



Vu 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.: 139/2024/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements prepared on 28 February 2024 of Quang Ngai Sugar Joint Stock Company ("the Company") as set out on pages 7 to 42, which comprise the balance sheet as at 31 December 2023, the income statement, 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 financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

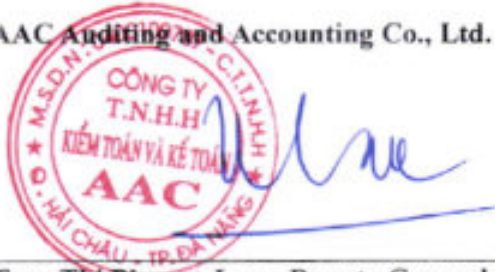
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting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

Emphasis of Matter

We draw attention to Note 3 to the financial statements that the accompanying financial statements are the 2023 separate financial statements of the Company. These financial statements should be read in conjunction with the 2023 consolidated financial statements in order to obtain complete information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

Our audit opinion is not qualified in respect of this matter.

AAC Auditing and Accounting Co., Ltd.



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

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

BALANCE SHEET
As at 31 December 2023

Form B 01 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2023 VND	01/01/2023 VND
A. CURRENT ASSETS	100		8,091,482,216,843	6,087,257,921,774
I. Cash and cash equivalents	110		288,969,487,361	201,953,492,369
1. Cash	111	5	288,969,487,361	201,953,492,369
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		6,165,000,000,000	4,296,000,000,000
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6.a	6,165,000,000,000	4,296,000,000,000
III. Short-term receivables	130		660,905,475,189	586,778,251,472
1. Short-term trade receivables	131	7	247,883,101,555	146,051,447,210
2. Short-term prepayments to suppliers	132	8	379,855,956,240	410,943,227,278
3. Other short-term receivables	136	9.a	52,334,442,791	47,192,150,629
4. Provision for doubtful debts	137	10	(19,168,025,397)	(17,408,573,645)
IV. Inventories	140	11	957,509,561,445	945,588,775,727
1. Inventories	141		960,148,782,878	946,659,821,282
2. Provision for obsolete inventories	149		(2,639,221,433)	(1,071,045,555)
V. Other current assets	150		19,097,692,848	56,937,402,206
1. Short-term prepaid expenses	151	12.a	18,356,310,764	54,909,834,199
2. Taxes and amounts receivable from the State	153	18	741,382,084	2,027,568,007
B. LONG-TERM ASSETS	200		4,759,144,462,436	4,975,684,446,379
I. Long-term receivables	210		786,569,947	456,640,965
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9.b	786,569,947	456,640,965
II. Fixed assets	220		3,666,123,937,870	3,913,337,322,796
1. Tangible fixed assets	221	13	3,650,071,571,533	3,905,463,978,341
- Cost	222		9,201,583,768,224	9,051,489,881,726
- Accumulated depreciation	223		(5,551,512,196,691)	(5,146,025,903,385)
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)
III. Investment property	230		-	-
IV. Non-current assets in progress	240		53,483,559,255	33,080,880,259
1. Long-term work in process	241		-	-
2. Construction in progress	242	15	53,483,559,255	33,080,880,259
V. Long-term financial investments	250		800,000,000,000	800,000,000,000
1. Investments in subsidiary	251	6.b	800,000,000,000	800,000,000,000
2. Held-to-maturity investments	255		-	-
VI. Other long-term assets	260		238,750,395,364	228,809,602,359
1. Long-term prepaid expenses	261	12.b	238,750,395,364	228,809,602,359
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		12,850,626,679,279	11,062,942,368,153

BALANCE SHEET (cont'd)

As at 31 December 2023

RESOURCES	Code	Note	31/12/2023 VND	01/01/2023 VND
C. LIABILITIES	300		3,630,468,830,708	2,930,301,011,501
I. Current liabilities	310		3,448,001,977,195	2,889,128,074,855
1. Short-term trade payables	311	16	456,049,704,294	478,824,902,394
2. Short-term advances from customers	312	17	35,433,834,606	31,861,069,330
3. Taxes and amounts payable to the State budget	313	18	145,486,961,818	120,405,840,829
4. Payables to employees	314		103,998,775,478	97,218,358,279
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	217,007,556,487	188,518,941,960
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
II. Long-term liabilities	330		182,466,853,513	41,172,936,646
1. Other long-term payables	337	20.b	-	142,500,000
2. Science and technology development fund	343	22	182,466,853,513	41,030,436,646
D. EQUITY	400		9,220,157,848,571	8,132,641,356,652
I. Owners' equity	410	23	9,220,157,848,571	8,132,641,356,652
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. Investment and development fund	418	23	714,375,667,849	675,773,360,282
4. Undistributed profit	421	23	4,582,882,966,942	3,533,968,782,590
- Undistributed profit up to prior year-end	421a		2,590,149,151,667	2,286,069,993,011
- Undistributed profit this year	421b		1,992,733,815,275	1,247,898,789,579
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		12,850,626,679,279	11,062,942,368,153



Vo Thanh Dang
General Director

Quang Ngai Province, 28 February 2024

Nguyen The Binh
Chief Accountant

Nguyen Hong Diep
Preparer

INCOME STATEMENT
For the year ended 31 December 2023

Form B 02 - DN
Issued under Circular No. 200/2014/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	9,804,102,168,176	8,042,189,188,194
2. Revenue deductions	02	26	56,692,763,178	60,698,507,108
3. Net revenue from sales and service provision	10		9,747,409,404,998	7,981,490,681,086
4. Cost of goods sold	11	27	6,423,561,443,627	5,548,484,642,199
5. Gross profit from sales and service provision	20		3,323,847,961,371	2,433,006,038,887
6. Financial income	21	28	507,722,088,414	330,772,924,133
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	781,780,887,375	844,974,401,832
9. Administrative expenses	26	30.b	389,200,950,492	229,538,554,955
10. Operating profit	30		2,521,696,717,223	1,605,543,326,205
11. Other income	31	31	94,177,616,936	43,968,955,633
12. Other expenses	32	32	3,053,207,308	4,593,899,324
13. Other profit	40		91,124,409,628	39,375,056,309
14. Accounting profit before tax	50		2,612,821,126,851	1,644,918,382,514
15. Current corporate income tax expense	51	33	263,147,356,576	218,549,615,435
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		2,349,673,770,275	1,426,368,767,079



Võ Thanh Dang
General Director

Quang Ngai Province, 28 February 2024

Nguyen The Binh
Chief Accountant

Nguyen Hong Diep
Preparer

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

Form B 03 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Year 2023 VND	Year 2022 VND
I. Cash flows from operating activities			
1. Net profit before tax	01	2,612,821,126,851	1,644,918,382,514
2. Adjustments for			
- Depreciation and amortization	02	445,398,005,331	489,471,207,119
- Provisions	03	3,327,627,630	931,599,178
- Foreign exchange gain/loss from revaluation of foreign currency balances	04	321,940,146	(1,760,938,648)
- (Profits)/losses from investing activities	05	(478,258,282,853)	(298,926,954,328)
- 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	2,869,874,428,421	1,917,803,315,325
- Decrease/increase in receivables	09	(64,080,565,283)	(194,447,753,828)
- Decrease/increase in inventories	10	(13,488,961,596)	(128,962,947,734)
- Decrease/increase in payables	11	22,709,395,206	125,911,568,929
- Decrease/increase in prepaid expenses	12	21,177,777,354	(52,453,337,555)
- Interest paid	14	(136,605,687,173)	(82,326,985,855)
- Corporate income tax paid	15	(245,637,015,090)	(153,769,341,477)
- Other payments for operating activities	17	(18,418,446,194)	(19,894,849,973)
Net cash provided by operating activities	20	2,435,530,925,645	1,411,859,667,832
II. Cash flows from investing activities			
1. Purchases of fixed assets and other long-term assets	21	(219,442,528,152)	(101,793,212,971)
2. Proceeds from disposals of fixed assets and other long-term assets	22	448,861,168	-
3. Cash paid for loans, acquisition of debt instruments	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	473,502,328,530	292,773,342,003
Net cash used in investing activities	30	(1,614,491,338,454)	(182,019,870,968)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	6,761,780,787,221	5,569,341,998,122
2. Repayment of loan principals	34	(6,246,359,786,374)	(5,705,734,886,722)
3. Dividends, profit paid to owners	36	(1,249,260,533,100)	(1,070,852,362,600)
Net cash used in financing activities	40	(733,839,532,253)	(1,207,245,251,200)
Net cash flows for the year	50	87,200,054,938	22,594,545,664
Cash and cash equivalents at the beginning of the year	60	201,953,492,369	178,527,322,546
Impacts of exchange rate fluctuations	61	(184,059,946)	831,624,159
Cash and cash equivalents at the end of the year	70	288,969,487,361	201,953,492,369



Võ Thanh Đăng
General Director

Quang Ngai Province, 28 February 2024

Nguyễn The Binh
Chief Accountant

Nguyễn Hong Diep
Preparer

NOTES TO THE FINANCIAL STATEMENTS

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

Form B 09 - DN

Issued under Circular No. 200/2014/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.

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 waters. 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;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- 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, growing 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 CO₂ and industrial CO₂; 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 system installation;
- Plumbing, heat and air-conditioning system installation;
- Distilling, rectifying and blending of spirits;
- Manufacture of wines;
- Wholesale of agricultural raw materials (except wood, bamboo) and live animals. Details: Trading in soybean seeds, raw soybeans;
- Growing of vegetables, leguminous crops and flowers. Detail: 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 growing of sugar cane; Propagation and growing of soybean trees;
- Generating electricity;
- Construction of other civil engineering projects;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- 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 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 Soybean Research and Application Center;
- VINASOY Soybean Research 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%

2. Accounting period, currency used in accounting

The Company's annual accounting period is from 01 January to 31 December.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Currency unit used for accounting records and presented in the 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.

As at 31/12/2023, the Company has a subsidiary, thus in 2023, the Company concurrently prepared both the Company's separate financial statements and consolidated financial statements. These separate financial statements should be read in conjunction with the 2023 consolidated financial statements in order to obtain complete information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

4. Summary of significant accounting policies

4.1 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 anticipates conducting 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 at the time of the financial statements. For foreign currency deposited in bank, the exchange rate upon revaluation is the purchase 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.

4.2 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.

4.3 Financial investments

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Investments in subsidiaries

Subsidiaries are entities controlled by the Company. The subsidiary-parent company relationship is represented through the fact that the Company holds (directly or indirectly) over 50% voting shares in the subsidiary and has the power to govern the financial and operating policies of the subsidiary.

Investments in subsidiaries are recorded at cost less provision. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

Provision

Provision for investments in subsidiaries is made if these investments are impaired or the investees suffer losses leading to the irrecoverability of the Company's investments.

With regards to the investees who are required to prepare the consolidated financial statements, the provision is made based on the consolidated financial statements. For other cases, the provision is made based on the financial statements of the investees.

4.4 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 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.

4.5 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

4.7 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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 based on 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>Kind of assets</u>	<u>Amortization period (years)</u>
Land use rights with definite term	15
Accounting software	1.5 - 3

4.8 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.

4.9 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.

4.10 Payables

Payables include trade payables and other payables.

- Trade payables are trade-related amounts, arising from trading activities between the Company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on their remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and currencies.

4.11 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.12 Unearned revenue

Unearned revenue of the Company is amounts paid in advance for one or many accounting periods for services rendered to customers that are amortized over the period for which the Company has received the payment in advance.

4.13 Loans and finance lease liabilities

Loans and finance lease liabilities are reflected at cost and classified into current liabilities and long-term liabilities based on their remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and currencies.

Borrowing costs

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

4.14 Scientific and technological development fund

Scientific and technological development fund is established by the Company to form finance source to invest in its activities of science and technology through activities of research, application and development, technology innovation, product innovation, production rationalization in order to improve the competitiveness of the Company.

The appropriation of provision for and use of Scientific and technological development fund from 01/01/2016 to 31/08/2016 are guided by Circular No. 15/2011/TT-BTC dated 09/02/2011 and Circular No. 105/2012/TT-BTC dated 25/06/2012 by the Ministry of Finance. For fixed assets purchased from the Scientific and technological development fund after being certified by the local Science and Technology Department, the Company makes entries for decreasing the Scientific and technological development fund and increasing the accumulated depreciation of fixed assets by the entire cost of those fixed assets.

As from 01/09/2016, the Company has used and made provision for Scientific and technological development fund in accordance with Joint Circular No. 12/2016/TTLT-BKHCN-BTC dated 28/06/2016 of the Ministry of Science and Technology and the Ministry of Finance, Circular No. 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.

4.15 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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 dividend 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.

4.16 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.
 - ✓ Interests are 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 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.

4.17 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.18 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the right 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.

4.19 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 loss 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 expenses of other investing activities.

4.20 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.

4.21 Current income tax expense, deferred 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.

4.22 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 include 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 include loans, trade payables, accrued expenses and other payables.

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.23 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/m³ x tax rate (10%);
 - ✓ Activity of exploiting Tra Khuc River water at VND4,000/m³ 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 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 (2017 - 2018) and 50% reduction of tax amount payable in the subsequent 4 years (2019 - 2022) for income from

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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 (2017 - 2018) and 50% reduction of tax amount payable in the subsequent 4 years (2019 - 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.

4.24 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.

Unit: VND

5. Cash

		31/12/2023		01/01/2023
Cash on hand		17,380,628,693		32,965,129,217
+ VND		17,352,228,693		32,938,729,217
+ Monetary gold (SJC gold bars)	4 bars	28,400,000	4 bars	26,400,000
Cash in bank		271,588,858,668		168,988,363,152
+ VND		260,289,465,596		165,838,561,130
+ USD	470,668.06 #	11,299,375,403	134,833.70 #	3,149,785,454
+ EUR	0.67 #	17,669	0.67 #	16,568
Total		288,969,487,361		201,953,492,369

6. Financial investments

a. Held-to-maturity investments

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Investment in subsidiary

	31/12/2023				01/01/2023	
	% holdin g	Voting rate	Cost	Provision	Cost	Provision
Investment in subsidiary			800,000,000,000	-	800,000,000,000	-
- Thanh Phat Trade Limited Company	100%	100%	800,000,000,000		800,000,000,000	
Total			800,000,000,000	-	800,000,000,000	-

The 2023 income statement of Thanh Phat Trade Limited Company shows profit and no accumulated loss as at 31/12/2023. As a result, this investment is recognized at cost and no provision is made for it.

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	94,068,468,577	34,520,800,984
Total	247,883,101,555	146,051,447,210

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
Total	379,855,956,240	410,943,227,278

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

9. Other receivables

a. Short-term

	31/12/2023		01/01/2023	
	Value	Provision	Value	Provision
Bank interest receivables	43,746,273,974	-	39,439,180,819	-
Advances	2,121,374,120	-	2,310,336,535	-
Deposits, collaterals	473,999,655	-	493,682,237	-
Other receivables	5,992,795,042	18,451,050	4,948,951,038	18,451,050
Total	52,334,442,791	18,451,050	47,192,150,629	18,451,050

b. Long-term

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

10. Provision for doubtful debts

a. Short-term

	31/12/2023	01/01/2023
Provision for overdue receivable debts		
- From 3 years and over	17,246,807,814	13,485,202,978
- 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
Total	19,168,025,397	17,408,573,645

b. Bad debts

Overdue debts	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	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 Dunh	175,416,672	-	Over 3 years	175,416,672	-	Over 3 years
- Others	18,665,749,299	1,432,833,355	0,5 - 23 years	18,266,706,299	2,793,242,107	0,5 - 22 years
Total	20,600,858,752	1,432,833,355		20,201,815,752	2,793,242,107	

(*) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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	14,424,426,760	-	12,171,088,400	-
Work in process	52,064,386,622	-	58,618,495,027	-
Finished products	330,898,399,408	-	241,693,172,459	509,415,812
Merchandise goods	11,716,770,104	-	12,176,035,780	-
Goods on consignment	372,021,586	-	375,026,480	-
Total	960,148,782,878	2,639,221,433	946,659,821,282	1,071,045,555

- Value of inventories 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.

12. Prepaid expenses

a. Short-term

	31/12/2023	01/01/2023
Operating lease of fixed assets	170,059,341	170,059,347
Tools and instruments put into use pending allocation	5,628,263,031	11,608,672,036
Costs of bidding for sugar import tariff quota	-	34,001,000,000
Others	12,557,988,392	9,130,102,816
Total	18,356,310,764	54,909,834,199

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	27,297,789,145	18,689,447,773
Bottles, cases	5,727,772,904	9,707,978,221
Others	36,416,113,072	25,668,503,046
Total	238,750,395,364	228,809,602,359

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

13. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	1,524,621,021,354	7,123,722,524,308	289,518,675,087	113,627,660,977	9,051,489,881,726
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
Ending balance	1,541,226,022,157	7,250,991,044,092	284,345,675,905	125,021,026,070	9,201,583,768,224
Depreciation					
Beginning balance	969,478,630,626	3,884,639,948,776	199,236,785,534	92,670,538,449	5,146,025,903,385
Increase in the year	90,879,240,678	327,283,467,543	11,855,740,596	6,987,750,455	437,006,199,272
- Depreciation	90,861,929,011	327,273,244,236	11,764,831,505	6,631,283,788	436,531,288,540
- 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
Ending balance	1,060,302,186,692	4,188,829,235,858	203,280,526,948	99,191,156,284	5,551,512,196,691
Net book value					
Beginning balance	555,142,390,728	3,239,082,575,532	90,281,889,553	20,957,122,528	3,905,463,978,341
Ending balance	480,923,835,465	3,062,161,808,234	81,065,148,957	25,829,869,786	3,650,071,571,533

- 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 VND3,001,458,944,805.

14. Intangible fixed assets

	Land use rights	Computer software	Total
Cost			
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	-	-	-
Ending balance	2,474,678,545	72,011,651,880	74,486,330,425
Amortization			
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	-	-	-
Ending balance	964,025,460	57,469,938,628	58,433,964,088
Net book value			
Beginning balance	1,542,876,088	6,330,468,367	7,873,344,455
Ending balance	1,510,653,085	14,541,713,252	16,052,366,337

- 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

15. Construction in progress

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

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	274,532,540,265	256,648,424,599
Total	456,049,704,294	478,824,902,394

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	25,526,440,737	22,100,762,851
Total	35,433,834,606	31,861,069,330

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the 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	Amount paid	Receivable	Payable
VAT	-	7,159,328,277	424,250,377,732	415,949,031,430	-	15,460,674,579
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	-	-
CTT	-	95,488,565,216	263,147,356,576	245,637,015,090	-	112,998,906,702
PIT	79,279,529	72,799,085	45,201,402,857	45,125,682,556	-	69,239,857
Natural resources tax	-	178,539,230	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	-	1,208,640,461	1,178,470,948	-	1,386,530
Fees and charges	-	11,077,250	168,981,250	169,374,250	-	10,684,250
Total	2,027,568,007	120,405,840,829	1,007,929,093,827	981,561,786,915	741,382,084	145,486,961,818

The Company's tax returns are subject to examination by the tax authorities. The amounts reported in the financial statements could be changed at 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
Total	3,339,377,086	3,649,251,624

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
Thanh Phat Trade Limited Company	174,854,480,690	146,203,414,864
Others	26,758,809,752	26,934,939,659
Total	217,007,556,487	188,518,941,960

b. Long term

	31/12/2023	01/01/2023
Long-term deposits, collaterals received	-	142,500,000
Total	-	142,500,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

21. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Short-term loans	1,895,895,232,086	6,761,780,787,221	6,246,359,786,374	2,411,316,232,933
- BIDV - Quang Ngai Branch	1,163,110,525,869	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
Total	1,895,895,232,086	6,761,780,787,221	6,246,359,786,374	2,411,316,232,933

22. Science and technology development fund

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

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 guidelines for the establishment, organization, operation, management, and use of science and technology development funds 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	Development investment fund	Undistributed profit	Total
As at 01/01/2022	3,569,399,550,000	353,499,663,780	638,166,434,928	3,228,562,447,650	7,789,628,096,358
Increase in the year	-	-	37,606,925,354	1,426,368,767,079	1,463,975,692,433
Decrease in the year	-	-	-	1,120,962,432,139	1,120,962,432,139
As at 31/12/2022	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>675,773,360,282</u>	<u>3,533,968,782,590</u>	<u>8,132,641,356,652</u>
As at 01/01/2023	3,569,399,550,000	353,499,663,780	675,773,360,282	3,533,968,782,590	8,132,641,356,652
Increase in the year	-	-	38,602,307,567	2,349,673,770,275	2,388,276,077,842
Decrease in the year	-	-	-	1,300,759,585,923	1,300,759,585,923
As at 31/12/2023	<u>3,569,399,550,000</u>	<u>353,499,663,780</u>	<u>714,375,667,849</u>	<u>4,582,882,966,942</u>	<u>9,220,157,848,571</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Capital transactions with owners

	Year 2023	Year 2022
Share capital		
- 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
Beginning balance	356,939,955	3,569,399,550,000	356,939,955	3,569,399,550,000
Increase in the year	-	-	-	-
Decrease in the year	-	-	-	-
Ending balance	356,939,955	3,569,399,550,000	356,939,955	3,569,399,550,000

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)	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	356,939,955	356,939,955
- Common shares	356,939,955	356,939,955
- Preferred shares	-	-
Par value of outstanding shares: VND10,000 each		

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

d. Undistributed profit

	Year 2023	Year 2022
Profit brought forward	3,533,968,782,590	3,228,562,447,650
Profit after corporate income tax this year	2,349,673,770,275	1,426,368,767,079
Distribution of profit	1,300,759,585,923	1,120,962,432,139
- Distribution of prior-year profit	943,819,630,923	942,492,454,639
+ 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	892,349,887,500	892,349,887,500
- Temporary distribution of current-year profit	356,939,955,000	178,469,977,500
+ Paying cash dividend	356,939,955,000	178,469,977,500
Undistributed profit at the end of the year	4,582,882,966,942	3,533,968,782,590

e. Dividend

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:

- ✓ 1st 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);
- ✓ 2nd 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);
- ✓ 3rd 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 FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the 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
Total	298,800,377,106	304,406,894,938

b. Foreign currencies

	31/12/2023	01/01/2023
Cash in bank		
+USD	470,668.06	134,833.70
+EUR	0.67	0.67

c. Monetary gold

	31/12/2023	01/01/2023
+ SJC gold bars on hand	4 bars	4 bars

25. Revenue from sales and service provision

	Year 2023	Year 2022
Revenue from sales of finished products	9,482,855,327,598	7,747,304,874,572
Revenue from sales of merchandise goods	253,293,210,000	238,290,140,000
Revenue from services rendered	67,953,630,578	56,594,173,622
Total	9,804,102,168,176	8,042,189,188,194

26. Revenue deductions

	Year 2023	Year 2022
Trade discounts	50,424,137,859	52,894,728,090
Sales returns	6,268,625,319	7,803,779,018
Total	56,692,763,178	60,698,507,108

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

27. Cost of goods sold

	Year 2023	Year 2022
Cost of finished products sold	6,100,404,975,253	5,253,969,107,211
Cost of merchandise goods sold	253,293,210,000	238,290,140,000
Cost of services rendered	68,295,082,496	56,743,079,189
Appropriation to/(Reversal of) provision for decline in value of inventories	1,568,175,878	(517,684,201)
Total	6,423,561,443,627	5,548,484,642,199

28. Financial income

	Year 2023	Year 2022
Deposit interest, loan interest	310,687,103,059	159,192,225,371
Profits, dividends received	167,122,318,626	139,734,728,957
Foreign exchange gains	5,638,335,769	4,180,345,765
Payment discounts	24,274,330,960	27,665,624,040
Total	507,722,088,414	330,772,924,133

29. Financial expenses

	Year 2023	Year 2022
Loan interest	136,264,011,316	83,170,019,490
Payment discounts	1,374,353,988	344,879,484
Foreign exchange losses	1,253,129,391	207,781,054
Total	138,891,494,695	83,722,680,028

30. Selling expenses and administrative expenses

a. Selling expenses incurred in the year

	Year 2023	Year 2022
Staff costs	269,455,331,037	284,795,591,462
Transportation, loading and unloading expenses	243,029,438,890	219,834,772,238
Advertising expenses	145,051,675,982	189,832,907,358
Expenses for promotion, free samples, giveaways	15,454,852,596	25,001,092,199
Showroom, sampling expenses	24,214,136,763	39,572,398,415
Agent commission, sales support	25,558,702,153	20,342,490,563
Other outside service expenses	33,098,842,054	48,037,777,171
Others	25,917,907,900	17,557,372,426
Total	781,780,887,375	844,974,401,832

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Administrative expenses incurred in the year

	Year 2023	Year 2022
Staff costs	132,166,270,338	130,897,486,401
Outside service expenses	28,081,027,880	28,154,371,656
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	66,802,779,247	58,379,128,861
Total	389,200,950,492	229,538,554,955

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	2,966,274,078
Others	2,226,888,881	2,402,681,555
Total	94,177,616,936	43,968,955,633

32. Other expenses

	Year 2023	Year 2022
Penalties, late payment fines	419,217,226	810,116,005
Others	2,633,990,082	3,783,783,319
Total	3,053,207,308	4,593,899,324

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

33. Current corporate income tax expense

	Year 2023	Year 2022
Accounting profit before tax	2,612,821,126,851	1,644,918,382,514
Adjustments to taxable income	(157,852,985,358)	(133,679,361,586)
- Increase	9,271,193,268	6,886,991,530
+ Foreign exchange loss from revaluation of balance of cash, receivables	185,919,946	-
+ Foreign exchange gain from revaluation of balance of cash, receivables - prior year	831,624,159	-
+ Non-deductible expenses	8,253,649,163	6,886,991,530
- Decrease	167,124,178,626	140,566,353,116
+ Profits, dividends received	167,122,318,626	139,734,728,957
+ Foreign exchange gains from revaluation of balance of cash, receivables	1,860,000	831,624,159
Total taxable income	2,454,968,141,493	1,511,239,020,928
Tax-exempted income	968,101,956,457	343,604,252,724
Assessable income	1,486,866,185,036	1,167,634,768,204
Current corporate income tax expense	<u>263,147,356,576</u>	<u>218,549,615,435</u>
In which:		
- Current-year income tax expenses	262,371,906,702	218,426,383,685
- Adjusting prior-year income tax expenses to current-year income tax expenses	775,449,874	123,231,750

34. Operating expenses by element

	Year 2023	Year 2022
Materials expenses	4,832,874,140,432	4,110,878,457,651
Labor costs	603,321,310,086	571,334,537,898
Depreciation expenses	439,963,052,255	484,036,254,037
Outside service expenses	643,607,284,087	603,103,327,171
Other cash expenses	681,699,436,246	698,829,832,652
Total	<u>7,201,465,223,106</u>	<u>6,468,182,409,409</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

35. Segment reporting

Segment reporting of the Company was prepared in accordance with business activities as follows:

Segment report by operating activities	Sugar		Soy milk		Others		Total	
	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	1,707,841,382,931	1,704,243,625,410	9,747,409,404,998	7,981,490,681,086
Cost of segment	2,780,400,608,753	1,597,910,424,195	2,359,956,789,086	2,552,542,240,898	1,283,204,045,788	1,398,031,977,106	6,423,561,443,627	5,548,484,642,199
Gross profit	1,256,397,804,922	374,761,570,441	1,642,812,819,306	1,752,032,820,142	424,637,337,143	306,211,648,304	3,323,847,961,371	2,433,006,038,887
Financial income							507,722,088,414	330,772,924,133
Financial expenses							138,891,494,695	83,722,680,028
Selling expenses							781,780,887,375	844,974,401,832
Administrative expenses							389,200,950,492	229,538,554,955
Operating profit							2,521,696,717,223	1,605,543,326,205
Other income							94,177,616,936	43,968,955,633
Other expenses							3,053,207,308	4,593,899,324
Other profit							91,124,409,628	39,375,056,309
Profit before tax							2,612,821,126,851	1,644,918,382,514
Corporate income tax							263,147,356,576	218,549,615,435
Profit after tax							2,349,673,770,275	1,426,368,767,079

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the 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
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
Total	9,201,583,768,224	(5,551,512,196,691)	661,692,045,136	12,850,626,679,279	3,630,468,830,708	439,963,052,255

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
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
Total	9,051,489,881,726	(5,146,025,903,385)	587,234,892,437	11,062,942,368,153	2,930,301,011,501	484,036,254,037

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

36. 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 insignificant.

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
Financial assets		
Cash		
- USD	470,668.06	134,833.70
- EUR	0.67	0.67
Financial liabilities		
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 controllable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form an integral part of and should be read in conjunction with the 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 accordance with their maturity as follows:

31/12/2023	Within 1 year	Over 1 year	Total
Trade payables	456,049,704,294	-	456,049,704,294
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	215,705,674,621	-	215,705,674,621
Total	3,086,410,988,934	-	3,086,410,988,934
01/01/2023	Within 1 year	Over 1 year	Total
Trade payables	478,824,902,394	-	478,824,902,394
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	187,153,222,381	142,500,000	187,295,722,381
Total	2,565,522,608,485	142,500,000	2,565,665,108,485

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

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	288,969,487,361	-	288,969,487,361
Held-to-maturity investments	6,165,000,000,000	-	6,165,000,000,000
Trade receivables	244,286,430,968	-	244,286,430,968
Other receivables	50,194,617,621	786,569,947	50,981,187,568
Total	6,748,450,535,950	786,569,947	6,749,237,105,897
01/01/2023	Within 1 year	Over 1 year	Total
Cash and cash equivalents	201,953,492,369	-	201,953,492,369
Held-to-maturity investments	4,296,000,000,000	-	4,296,000,000,000
Trade receivables	142,639,975,623	-	142,639,975,623
Other receivables	44,863,363,044	456,640,965	45,320,004,009
Total	4,685,456,831,036	456,640,965	4,685,913,472,001

37. Related party information

a. Related parties

	Relationship
Thanh Phat Trade Limited Company Phuc Thinh One Member Co., Ltd	Subsidiary The enterprise is owned by Mr. Tran Tan Huyen (brother-in-law of Mr. Nguyen Thanh Huy - Member of the Board of Supervisors).
Ngo Vu Phuong Giang	Daughter of Mr. Ngo Van Tu - Member of the Board of Directors
Hong Van Service Trading One Member Co., Ltd	The enterprise is owned by Mrs. Ta Thi Hong Van (Spouse of Mr. Dang Phu Quy - Member of the Board of Directors, Vice General Director).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Significant transactions with related parties

Related parties	Particulars	Year 2023	Year 2022
Thanh Phat Trade Limited Company			
	Receiving profit	167,122,318,626	139,734,728,957
	Paying dividends	194,371,117,500	166,603,815,000
	Purchasing goods, services	22,790,233,769	17,558,854,839
	Selling goods, services	2,391,963,632,209	1,546,244,286,287
Phuc Thinh One Member Co., Ltd			
	Purchasing supplies; outsourcing fire protection system repair and maintenance services	2,255,781,165	125,779,363
Ngo Vu Phuong Giang			
	Purchasing consultancy services as a media consulting expert role for Vinasoy	-	266,666,664
Hong Van Service Trading One Member Co., Ltd			
	Renting accommodation and passenger transportation services	30,496,632	34,388,891

c. Year-end balance with related parties

	31/12/2023	01/01/2023
Thanh Phat Trade Limited Company		
Other short-term payables	174,854,480,690	146,203,414,864
Phuc Thinh One Member Co., Ltd		
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

38. 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 2nd 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.

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


39. Corresponding figures


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




Vo Thanh Dang
General Director

Quang Ngai Province, 28 February 2024


Nguyen The Binh
Chief Accountant


Nguyen Hong Diep
Preparer

