



CHOLIMEX FOOD JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023

CHOLIMEX FOOD JOINT STOCK COMPANY
Lot C40-43/I, C51-55/II, 7th Road
Vinh Loc Industrial Park, Binh Chanh District
Ho Chi Minh City, Vietnam

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS	1
INDEPENDENT AUDITORS' REPORT	2
BALANCE SHEET	3 - 4
INCOME STATEMENT	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 25



CHOLIMEX FOOD JOINT STOCK COMPANY
Lot C40-43/I, C51-55/II, 7th Road
Vinh Loc Industrial Park, Binh Chanh District
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of Cholimex Food Joint Stock Company (the “Company”) presents this report together with the Company’s financial statements for the year ended 31 December 2023.

THE BOARDS OF DIRECTORS, SUPERVISORS AND EXECUTIVE OFFICERS

The members of the Boards of Directors, Supervisors and Executive Officers of the Company during the year and to the date of this report are as follows:

Board of Management

Mr. Huynh An Trung	Chairman
Mr. Diep Nam Hai	Member
Mr. Tran Phuong Bac	Member
Mr. Than Ngoc Nghia	Member
Ms. Nguyen Thi Huyen Trang	Member

Board of Supervisors

Mr. Pham Van Tranh	Head of the Board
Ms. Do Thi Hoang Yen	Member
Mr. Vo Van Day	Member

Board of Directors

Mr. Diep Nam Hai	Chief Executive Officer
Ms. Ho Ngoc Huong	Deputy Chief Executive Officer
Ms. Nguyen Thi Huyen Trang	Deputy Chief Executive Officer

THE BOARD OF EXECUTIVE OFFICERS’ STATEMENT OF RESPONSIBILITY


The Board of Executive Officers of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Executive Officers is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

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

The Board of Executive Officers confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Executive Officers,


Diep Nam Hai
Chief Executive Officer
27 March 2024

INDEPENDENT AUDITORS' REPORT

To: The shareholders
The Board of Directors, Board of Supervisors and Board of Executive Officers of
Cholimex Food Joint Stock Company

We have audited the accompanying financial statements of Cholimex Food Joint Stock Company (the "Company"), prepared on 27 March 2024 as set out from page 3 to page 25, which comprise the balance sheet as at 31 December 2023, the statement of income, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Executive Officers Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Auditors' 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 Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Võ Thái Hòa
Audit Partner
Audit Practising Registration Certificate
No. 0138-2023-001-1
BRANCH OF DELOITTE VIETNAM AUDIT
COMPANY LIMITED
27 March 2024
Ho Chi Minh City, Vietnam

Ung Hong Diem An
Auditor
Audit Practising Registration Certificate
No. 4132-2022-001-1

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BALANCE SHEET
 As at 31 December 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		999,148,248,853	1,045,011,671,667
I. Cash and cash equivalents	110	4	162,857,024,948	186,139,053,529
1. Cash	111		127,999,024,948	168,238,345,309
2. Cash equivalents	112		34,858,000,000	17,900,708,220
II. Short-term financial investments	120	5	302,047,598,364	343,473,769,924
1. Trading securities	121		1,424,759,050	167,063,600
2. Held-to-maturity investments	123		300,622,839,314	343,306,706,324
III. Short-term receivables	130		255,001,195,646	204,744,684,946
1. Short-term trade receivables	131	6	228,979,421,920	193,479,028,395
2. Short-term advances to suppliers	132		12,255,791,802	2,069,991,593
3. Other short-term receivables	136	7	13,765,981,924	9,049,718,366
4. Deficits in assets awaiting solution	139		-	145,946,592
IV. Inventories	140		277,111,418,949	308,928,494,368
1. Inventories	141	8	277,111,418,949	308,928,494,368
V. Other short-term assets	150		2,131,010,946	1,725,668,900
1. Short-term prepayments	151	9	-	1,725,668,900
2. Value added tax deductibles	152		2,131,010,946	-
B. NON-CURRENT ASSETS	200		617,381,642,024	384,580,494,298
I. Fixed assets	220		213,545,779,087	233,635,034,934
1. Tangible fixed assets	221	10	183,069,750,808	201,693,851,991
- Cost	222		428,609,960,781	418,281,922,490
- Accumulated depreciation	223		(245,540,209,973)	(216,588,070,499)
2. Intangible assets	227	11	30,476,028,279	31,941,182,943
- Cost	228		48,862,336,787	48,862,336,787
- Accumulated amortisation	229		(18,386,308,508)	(16,921,153,844)
II. Long-term assets in progress	240		270,957,539,471	15,662,082,011
1. Construction in progress	242	12	270,957,539,471	15,662,082,011
III. Other long-term assets	260		132,878,323,466	135,283,377,353
1. Long-term prepayments	261	9	132,878,323,466	135,283,377,353
TOTAL ASSET (270=100+200)	270		1,616,529,890,877	1,429,592,165,965

The accompanying notes are an integral part of these financial statements



BALANCE SHEET (Continued)
 As at 31 December 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		621,163,914,630	600,329,028,346
I. Current liabilities	310		592,282,300,063	594,183,902,596
1. Short-term trade payables	311	13	218,671,354,434	237,274,309,447
2. Short-term advances from customers	312		16,049,824,896	9,291,247,479
3. Taxes and amounts payable to the State budget	313	14	42,041,869,350	45,028,576,414
4. Payables to employees	314		57,766,283,346	62,194,895,673
5. Short-term accrued expenses	315	15	39,194,361,180	72,083,552,229
6. Other current payables	319		4,558,862,856	1,683,389,949
7. Short-term loans	320	16	161,765,000,000	113,612,000,000
8. Bonus and welfare funds	322		52,234,744,001	53,015,931,405
II. Long-term liabilities	330		28,881,614,567	6,145,125,750
1. Long-term loans	338	16	22,736,488,817	-
2. Long-term provisions	342	17	6,145,125,750	6,145,125,750
D. EQUITY	400		995,365,976,247	829,263,137,619
I. Owners' equity	410	18	995,365,976,247	829,263,137,619
1. Owners' contributed capital	411		81,000,000,000	81,000,000,000
- Ordinary shares carrying voting rights	411a		81,000,000,000	81,000,000,000
2. Share premium	412		38,500,000,000	38,500,000,000
3. Investment and development fund	418		129,358,942,443	129,358,942,443
4. Retained earnings	421		746,507,033,804	580,404,195,176
- Retained earnings accumulated to the prior year end	421a		515,321,585,580	359,686,003,253
- Retained earnings of the current year	421b		231,185,448,224	220,718,191,923
TOTAL RESOURCES (440=300+400)	440		1,616,529,890,877	1,429,592,165,965

Huynh Minh Duc
Preparer

Nguyen Thi Bich Ngoc
Chief Accountant


Diep Nam Hai
Chief Executive Officer
27 March 2024




INCOME STATEMENT
 For the year ended 31 December 2023

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue	01		3,411,894,167,945	3,219,870,140,269
2. Deductions	02		1,519,244,560	830,885,824
3. Net revenue (10=01-02)	10	21	3,410,374,923,385	3,219,039,254,445
4. Cost of sales	11		2,509,269,078,184	2,332,750,080,873
5. Gross profit (20=10-11)	20		901,105,845,201	886,289,173,572
6. Financial income	21	23	41,458,045,530	35,103,208,734
7. Financial expenses	22	24	11,183,098,085	7,079,999,638
- In which: Interest expense	23		8,588,351,275	3,446,433,817
8. Selling expenses	25	25	474,559,722,595	494,780,823,793
9. General and administration expenses	26	25	168,606,984,038	144,516,974,675
10. Operating profit (30=20+(21-22)-(25+26))	30		288,214,086,013	275,014,584,200
11. Other income	31		1,384,996,559	2,605,209,705
12. Other expenses	32		117,272,292	554,554,001
13. Profit from other activities (40=31-32)	40		1,267,724,267	2,050,655,704
14. Accounting profit before tax (50=30+40)	50		289,481,810,280	277,065,239,904
15. Current corporate income tax expense	51	26	57,896,362,056	55,413,047,981
16. Net profit after tax (60=50-51)	60		231,585,448,224	221,652,191,923
17. Basic earnings per share	70	27	27,161	25,996


 Huynh Minh Duc
 Preparer


 Nguyen Thi Bich Ngoc
 Chief Accountant


 Diep Nam Hai
 Chief Executive Officer
 27 March 2024



CHOLIMEX FOOD JOINT STOCK COMPANY

Lot C40-43/I, C51-55/II, 7th Road
Vinh Loc Industrial Park, Binh Chanh District
Ho Chi Minh City, Vietnam

FORM B 03-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

CASH FLOW STATEMENT
For the year ended 31 December 2023

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	289,481,810,280	277,065,239,904
2. <i>Adjustments for:</i>			
Depreciation and amortization	02	30,417,294,138	29,764,069,840
Provisions	03	-	(3,477,047,372)
Foreign exchange gain arising from translating foreign currency items	04	(96,060,144)	(6,551,878,480)
Gain from investing activities	05	(29,775,439,836)	(20,494,995,239)
Interest expense	06	8,588,351,275	3,446,433,817
3. <i>Operating profit before movements in working capital</i>	08	298,615,955,713	279,751,822,470
Changes in receivables	09	29,761,575,114	(39,757,765,703)
Changes in inventories	10	31,817,075,419	(156,797,980,639)
Changes in payables	11	(41,461,872,449)	87,233,910,953
Changes in prepaid expenses	12	4,130,722,787	(82,071,988,850)
Changes in trading securities	13	(1,257,695,450)	6,561,437,372
Interest paid	14	(8,473,990,095)	(3,446,433,817)
Corporate income tax paid	15	(60,413,047,981)	(36,496,843,707)
Other cash outflows	17	(25,763,797,000)	(34,950,632,148)
<i>Net cash generated by operating activities</i>	20	226,954,926,058	20,025,525,931
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(271,107,789,285)	(31,747,345,831)
2. Proceeds from sale, disposal of fixed assets	22	-	192,838,586
3. Cash outflow for lending and term deposits	23	(194,117,126,144)	(383,038,141,936)
4. Cash recovered from lending, selling debt instruments of other entities	24	159,557,475,457	413,283,542,441
5. Interest earned	27	24,869,860,772	21,481,235,561
<i>Net cash (used in)/generated by investing activities</i>	30	(280,797,579,200)	20,172,128,821
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	697,460,488,817	474,361,845,701
2. Repayment of borrowings	34	(626,951,000,000)	(463,808,845,701)
3. Dividends paid	36	(40,424,924,400)	(40,361,805,250)
<i>Net cash generated by/(used in) financing activities</i>	40	30,084,564,417	(29,808,805,250)
<i>Net (decrease)/increase in cash (50=20+30+40)</i>	50	(23,758,088,725)	10,388,849,502
<i>Cash and cash equivalents at the beginning of the year</i>	60	186,139,053,529	167,675,646,977
<i>Effect of changes in foreign exchange rates</i>	61	478,060,144	8,074,557,050
<i>Cash and cash equivalents at the end of the year (70=50+60+61)</i>	70	162,857,024,948	186,139,053,529

Huynh Minh Duc
Preparer

Nguyen Thi Bích Ngọc
Chief Accountant

Diep Nam Hai
Chief Executive Officer
27 March 2024

The accompanying notes are an integral part of these financial statements

CHOLIMEX FOOD JOINT STOCK COMPANY

Lot C40-43/I, C51-55/II, 7th Road
Vinh Loc Industrial Park, Binh Chanh District
Ho Chi Minh City, Vietnam

FORM B 09-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Cholimex Food Joint Stock Company (the "Company") was incorporated in Vietnam under Business Registration Certificate No. 0304475742 dated 19 July 2006 issued by the Ho Chi Minh City Planning and Investment Department, as amended.

The Company's shares have been traded on Stock Exchange Market for non-listed public interest entity ("UPCoM") with "CMF" code in accordance with Announcement No. 1225/TB-SGDHN dated 23 November 2016 issued by Hanoi Stock Exchange.

The number of employees as at 31 December 2023 was 2,373 (as at 31 December 2022: 2,229).

Principal activities

The Company's principal activities include:

- Producing, processing and trading foodstuff, industrial meals, frozen seafood;
- Trading breed, tools and supplies for aquaculture activities;
- Trading food for domestic animals, personal and home-used tools, electronic devices;
- Custom declaration service, transportation agency, imported goods delivery;
- Agency for cargo trading and consigning, warehouse for rent, goods delivery service;

Normal production and business cycle

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

The Company's structure

Details of the Company's head office and branch as at 31 December 2023 are as follows:

- Cholimex Food Joint Stock Company Head office ("the Head Office") is located at Lot C40-43/I, C51-55/II, 7th Road, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.
- Cholimex Food Joint Stock Company Branch ("the Branch") is located at 23 - 25 An Diem Street, Ward 10, District 5, Ho Chi Minh City.

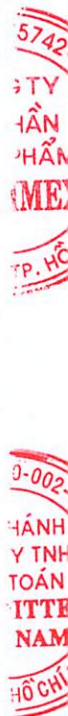
Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2022.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

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

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



Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Trading securities

Trading securities are those the Company holds for trading purpose. Trading securities are recognised from the date the Company obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent financial years, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

Held-to-maturity investments

Held-to-maturity investments comprise term deposits with term greater than three (3) months that the Company has the positive intent or ability to hold to maturity to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Receivables

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



Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Company applies perpetual method to account for inventories. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and other costs.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	<u>Years</u>
Buildings, structures	5 - 40
Machinery, equipment	5 - 40
Motor vehicles	5 - 15
Office equipment	5 - 15
Others	4 - 25

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

Leasing

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

Intangible assets and amortisation

Land use rights

Intangible assets, which represent the value of land use rights, are stated at cost less accumulated amortisation. Land use rights are amortised on a straight-line basis of 45 years.

Trademark

Trademark is the registration cost of Cholimex brand and its logo which is measured initially at the purchase cost and is amortised on the straight-line basis over their estimated useful lives of 20 years.

Computer software

Computer software is measured initially at the purchase cost and is amortised on the straight-line basis over their estimated useful lives in accordance with regulations.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rentals and other types of long-term prepayments.

Land rentals represent rentals that have been paid in advance. Prepaid land rentals are charged to the income statement using the straight-line method over the lease term.

Other types of long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

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

Revenue recognition

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

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

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

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

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

Sales deductions

Sales deductions include trade discounts, sales allowances and sales returns.

Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year/period. In case that sales deductions for sales of products, goods or rendering of services sold in the year incurred after the balance sheet date but before the issuance of the financial statements, the Company recorded as revenue deductions for the year.

Severance allowance payable

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

Funds

Investment and development fund, bonus and welfare fund, and other funds, if any, will be distributed in accordance with the Resolutions of the Company's Annual General Shareholders Meeting.

Foreign currencies

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

Borrowing costs

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

Taxation

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

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

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

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

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

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	584,750,735	124,037,636
Bank demand deposits	127,414,274,213	168,114,307,673
Cash equivalents (*)	34,858,000,000	17,900,708,220
	<u>162,857,024,948</u>	<u>186,139,053,529</u>

(*) Cash equivalents include term deposits and certificates of deposit at commercial banks and financial company with a term of three months or less with an interest rate of 0% per annum for USD (as at 31 December 2022: 0% per annum for USD); and an interest rate ranging from 3.2% to 4.75% per annum for VND (as at 31 December 2022: from 7% to 7.25% per annum) for VND.

As of 31 December 2023 and 31 December 2022, cash equivalents include the one (1) month term deposit with value of of USD 200,000 (equivalent to 4,858,000,000 VND) are mortgaged to secure a short-term loans (Note 16).

5. SHORT-TERM FINANCIAL INVESTMENTS

	<u>Closing balance</u>			<u>Opening balance</u>		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Trading securities	1,424,759,050	1,424,759,050	-	167,063,600	364,465,140	-
Held-to-maturity investments	300,622,839,314	300,622,839,314	-	343,306,706,324	343,306,706,324	-
	<u>302,047,598,364</u>	<u>302,047,598,364</u>	<u>-</u>	<u>343,473,769,924</u>	<u>343,671,171,464</u>	<u>-</u>

As at 31 December 2023, trading securities comprise the security investments in Investment and Trading of Real Estate Joint Stock Company (ITC), Hoa An Joint Stock Company (DHA) and Refrigeration Electrical Engineering Corporation (REE) in which the number of shares is 88, 9,647 and 16,753, respectively (as at 31 December 2022: 1,108 (ITC); and 9,742 (DHA), respectively). As at 31 December 2023, the fair value of trading securities was determined based on the reference price in the stock market exchange.

Held-to-maturity investments consist of term deposits in VND with remaining terms of 12 months or less at commercial banks and finance company with interest rates ranging from 4.8% to 12.25% per annum (as at 31 December 2022: from 5.1% to 12.25% per annum).

As at 31 December 2023, a held-to-maturity investment consisting of term deposits with tenor from 9 months to 12 months with a value VND 169,762,839,314 is mortgaged to secure for loan disbursement in 2024 (as at 31 December 2022: VND 81,910,295,365).

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Related parties (Note 29)	9,068,394,695	6,947,577,661
Tonkin Products Limited	88,005,597,192	100,496,809,767
MM MeGa Market Company Limited (Vietnam)	18,633,681,572	14,814,004,244
Others	113,271,748,461	71,220,636,723
	<u>228,979,421,920</u>	<u>193,479,028,395</u>

As presented in Note 16, the Company used its short-term trade receivables to secure the short-term loans.

7. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Related parties (Note 29)	197,706,000	165,854,000
Advances to employees	2,204,961,860	2,290,252,512
Accrued interest income	9,981,687,005	5,076,107,941
Others	1,381,627,059	1,517,503,913
	<u>13,765,981,924</u>	<u>9,049,718,366</u>

8. INVENTORIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Raw materials	99,909,478,702	97,482,458,723
Tools and suppliers	-	1,094,122,000
Work in progress	72,334,135,930	82,170,266,887
Finished goods	95,824,127,300	120,694,686,761
Merchandise	9,043,677,017	7,486,959,997
	<u>277,111,418,949</u>	<u>308,928,494,368</u>

As at 31 December 2023 and 31 December 2022, there was no provision for devaluation of inventories.

As presented in Note 16, the Company used its inventories to secure the short-term loans.

9. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Current		
Tools and supplies issued for consumption	-	1,725,668,900
b. Non - current		
Land rental (*)	131,727,877,533	135,283,377,353
Tools and supplies issued for consumption	1,150,445,933	-
	<u>132,878,323,466</u>	<u>135,283,377,353</u>

(*) Represent prepaid land rentals at Vinh Loc 2 Industrial Park, Ben Luc District, Long An Province with duration 39 years until 25 March 2061.

10. INCREASE/DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
Opening balance	154,124,194,915	251,933,978,967	9,217,950,443	1,408,434,123	1,597,364,042	418,281,922,490
Additions	2,369,955,000	5,404,768,200	-	40,809,091	2,234,350,000	10,049,882,291
Transfer from construction in progress	-	278,156,000	-	-	-	278,156,000
Closing balance	156,494,149,915	257,616,903,167	9,217,950,443	1,449,243,214	3,831,714,042	428,609,960,781
ACCUMULATED DEPRECIATION						
Opening balance	68,429,691,035	140,354,652,150	5,559,749,659	1,090,121,440	1,153,856,215	216,588,070,499
Charge for the year	8,395,429,694	19,478,224,615	674,541,972	175,854,940	228,088,253	28,952,139,474
Closing balance	76,825,120,729	159,832,876,765	6,234,291,631	1,265,976,380	1,381,944,468	245,540,209,973
NET BOOK VALUE						
Opening balance	85,694,503,880	111,579,326,817	3,658,200,784	318,312,683	443,507,827	201,693,851,991
Closing balance	79,669,029,186	97,784,026,402	2,983,658,812	183,266,834	2,449,769,574	183,069,750,808

As at 31 December 2023, the cost of tangible fixed assets which are fully depreciated but are still in use is VND 90,487,798,852 (as at 31 December 2022: VND 65,773,785,757).

11. INCREASE/DECREASE IN INTANGIBLE ASSETS

	Land use rights VND	Trademark VND	Computer software VND	Others VND	Total VND
COST					
Opening balance and closing balance	43,624,928,787	3,256,700,000	251,220,000	1,729,488,000	48,862,336,787
ACCUMULATED DEPRECIATION					
Opening balance	13,786,062,308	2,171,488,884	219,817,500	743,785,152	16,921,153,844
Charge for the year	1,008,897,673	162,834,996	31,402,500	262,019,495	1,465,154,664
Closing balance	14,794,959,981	2,334,323,880	251,220,000	1,005,804,647	18,386,308,508
NET BOOK VALUE					
Opening balance	29,838,866,479	1,085,211,116	31,402,500	985,702,848	31,941,182,943
Closing balance	28,829,968,806	922,376,120	-	723,683,353	30,476,028,279

12. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Factory (*)	269,674,139,471	14,378,682,011
Software	1,283,400,000	1,283,400,000
	270,957,539,471	15,662,082,011

Detail movement of construction in progress during the year:

	Opening balance	Addition during the year	Transfer to fixed assets	Closing balance
	VND	VND	VND	VND
Factory (*)	14,378,682,011	255,295,457,460	-	269,674,139,471
Software	1,283,400,000	-	-	1,283,400,000
Others	-	278,156,000	278,156,000	-
	<u>15,662,082,011</u>	<u>255,573,613,460</u>	<u>278,156,000</u>	<u>270,957,539,471</u>

(*) Construction in progress represented amount to build a new factory to produce and process all kinds of frozen foods at the first phase at Vinh Loc 2 Industrial Park, Ben Luc District, Long An Province.

13. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Related parties (Note 29)	5,805,642,115	810,968,937
KCP Vietnam Industries Limited	17,614,866,150	15,584,450,000
Nguyen Thai Binh Plastics Producing - Trading Company Limited	14,076,413,419	18,812,116,858
Others	181,174,432,750	202,066,773,652
	<u>218,671,354,434</u>	<u>237,274,309,447</u>

As at 31 December 2023 and 31 December 2022, the short-term trade payables are able to be settled.

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Increases during the year	Decreases during the year	Closing balance
	VND	VND	VND	VND
Value added tax	2,890,684,252	55,021,029,062	57,911,713,314	-
Value added tax for imported goods	-	2,338,680,612	2,338,680,612	-
Corporate income tax	35,413,047,981	57,896,362,056	60,413,047,981	32,896,362,056
Personal income tax	6,724,844,181	13,237,511,802	10,816,848,689	9,145,507,294
	<u>45,028,576,414</u>	<u>128,493,583,532</u>	<u>131,480,290,596</u>	<u>42,041,869,350</u>

15. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Promotion and marketing	28,647,262,479	48,585,201,551
Salaries	1,655,297,556	10,573,729,300
Others	8,891,801,145	12,924,621,378
	<u>39,194,361,180</u>	<u>72,083,552,229</u>

16. LOANS

	Opening balance		In the year		Closing balance
	Amount VND	Increases VND	Decreases VND	Foreign exchange differences due to revaluation VND	Amount VND
Short-term loans	113,612,000,000	674,724,000,000	626,951,000,000	380,000,000	161,765,000,000
Long-term loan (i)	-	22,736,488,817	-	-	22,736,488,817
	113,612,000,000	697,460,488,817	626,951,000,000	380,000,000	184,501,488,817

As at the balance sheet date, details of short-term loans are as follows:

	Closing balance VND	Opening balance VND
HSBC Bank (Vietnam) Ltd (a)	30,000,000,000	20,000,000,000
The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch (b)	40,000,000,000	-
Malayan Banking Berhad (c)	10,000,000,000	41,806,000,000
Shinhan Vietnam Bank Limited (d)	10,000,000,000	10,000,000,000
Bangkok Bank Public Company Limited - Ho Chi Minh City Branch (e)	20,000,000,000	30,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Branch 3/2 Ho Chi Minh City (f)	30,000,000,000	-
Asia Commercial Joint Stock Bank - Chau Van Liem Branch (g)	11,765,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - North Saigon Branch (h)	10,000,000,000	-
Hong Leong Bank Vietnam Limited - Ho Chi Minh City Branch	-	11,806,000,000
	161,765,000,000	113,612,000,000

a. The loan from HSBC Bank (Vietnam) Ltd is to supplement working capital. The loan has a credit limit of USD 3,500,000 and is secured by the inventories (Note 8) and receivables with total value of USD 3,500,000 (Note 6). The loan has the tenor of 90 days from the withdrawal date and the interest rate of 4% per annum (as at 31 December 2022: 7.8% per annum).

b. The loan from The Siam Commercial Bank Public Company Limited - Ho Chi Minh City Branch is to supplement working capital. The loan has a credit limit of USD 3,000,000 and is unsecured. The loan has the tenor of three (3) months for each drawdown with the interest rates from 2.95% to 3.68% per annum for the loan in USD.

c. The loan from Malayan Bank Berhad is to supplement for import and local purchase of raw materials related to Company's business. The loan has a credit limit of USD 3,300,000. The loan has the tenor of three (3) months for each drawdown with the interest rate from 3.5% per annum (as at 31 December 2022: 4.5% to 7.5% per annum). The loan is secured by 20% or 22% marginal deposit for each drawdown in the event that the marginal deposit is denominated in the currency which differs from the functional currency of the utilise facility.

d. The loan from Shinhan Bank is to supplement working capital. The loan has a credit limit of VND 60,000,000,000 and is secured by the value of inventory with a minimum value of VND 60,000,000,000. The loan has the tenor of 90 days from the withdrawal date and the interest rate of 2.8% per annum (as at 31 December 2022: 7.5% per annum).

e. The loan from Bangkok Bank Public Company Limited – Ho Chi Minh City Branch is to supplement working capital. The loan has a credit limit of USD 3,000,000 and is secured by the value of inventory with a minimum value of USD 3,000,000 (Note 8). The loan has the tenor of 90 days from the withdrawal date and the interest rate of 2.7% per annum (as at 31 December 2022: 7.5% per annum).

f. The loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Branch 3/2 Ho Chi Minh City is to supplement working capital. The loan has a credit limit of VND 150,000,000,000 and is secured by the value of inventory (Note 8) and receivables generated from loan (Note 6). The loan has the tenor from 73 to 75 days from the withdrawal date and the interest rate of 3.8% per annum.

g. The loan from Asia Commercial Joint Stock Bank - Chau Van Liem Branch is to supplement working capital. The loan has a credit limit of VND 91.500.000.000 and is secured by time deposits with total value of VND 169,762,839,314. The loan has the tenor from 3 to 6 months from the withdrawal date and the interest rate of 3.5% per annum.

h. The loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - North Saigon Branch is to supplement working capital. The loan has a credit limit of VND 40,000,000,000 and is secured by the inventory with value of VND 50,000,000,000 (Note 8) and receivables with value of VND 50,000,000,000 (Note 6). The loan has the tenor of 90 days from the withdrawal date and the interest rate of 4% per annum.

i. The loan from HSBC Bank (Vietnam) Ltd is to supplement capital for building and other expenses relating to new factory at Vinh Loc 2 Industrial Park, Ben Luc District, Long An Province. The loan has a credit limit of 240,000,000,000 VND and is secured by machinery and equipment formed in the future purchased by loan proceeds with a minimum value of 100,000,000,000 VND. The loan is repayable on 21 September 2026 and bears interest at 6.5% per annum.

17. LONG-TERM PROVISIONS

Long-term provisions represent provision for severance allowances.

18. OWNERS' EQUITY

Owners' contributed capital

According to the amended Business Registration Certificate, the Company's charter capital as at 31 December 2023 and 31 December 2022 was VND 81,000,000,000. The shares authorised to be issued of the Company are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Authorised and fully contributed		
Number (shares)	8,100,000	8,100,000
Price (VND/share)	10,000	10,000
Amount (VND)	<u>81,000,000,000</u>	<u>81,000,000,000</u>
Shares		
- Number of shares issued to the public		
<i>Ordinary shares</i>	8,100,000	8,100,000
- Number of outstanding shares in circulation		
<i>Ordinary shares</i>	<u>8,100,000</u>	<u>8,100,000</u>

The ordinary share has par value of VND 10,000. The Company only issues ordinary shares which carry no right to fixed dividend. Ordinary shareholders are entitled to receive dividends as declared and are entitled to one vote per share at the shareholders' meetings. Each share has an equal right to the Company's net asset value.

The list of shareholders as at the balance sheet date is as follows:

Shareholder	Closing balance		Opening balance	
	VND	%	VND	%
Cho Lon Investment and Import Export Corporation	32,980,000,000	40.72	32,980,000,000	40.72
Masan Food One Member Company Limited	26,592,170,000	32.83	26,592,170,000	32.83
Nichirei Foods Inc.	15,390,000,000	19.00	15,390,000,000	19.00
Others	6,037,830,000	7.45	6,037,830,000	7.45
	81,000,000,000	100	81,000,000,000	100

Movement in owners' equity

	Owners' contributed capital	Share premium	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Prior year's opening balance	81,000,000,000	38,500,000,000	129,358,942,443	420,485,371,994	669,344,314,437
Profit for the year	-	-	-	221,652,191,923	221,652,191,923
Dividends declared	-	-	-	(40,500,000,000)	(40,500,000,000)
Appropriation to funds	-	-	-	(9,299,368,741)	(9,299,368,741)
Appropriation to remuneration for the Boards of Directors, Supervisors and bonus for Board of Executive	-	-	-	(11,934,000,000)	(11,934,000,000)
Current year's opening balance	81,000,000,000	38,500,000,000	129,358,942,443	580,404,195,176	829,263,137,619
Profit for the year	-	-	-	231,585,448,224	231,585,448,224
Dividends declared	-	-	-	(40,500,000,000)	(40,500,000,000)
Appropriation to funds	-	-	-	(11,082,609,596)	(11,082,609,596)
Appropriation to remuneration for the Boards of Directors, Supervisors and bonus for Board of Executive	-	-	-	(13,900,000,000)	(13,900,000,000)
Current year's closing balance	81,000,000,000	38,500,000,000	129,358,942,443	746,507,033,804	995,365,976,247

According to Resolution of the Company's Annual Shareholders' Meeting No. 01/NQ-ĐHCD dated 26 April 2023, the Company paid dividends from profit after tax of 2022 at 50% of the charter capital with an amount of VND 40,500,000,000.

Pursuant to the Resolution, the funds appropriated from net profit of 2022 are as follows:

- Bonus and welfare funds appropriated from net profit of 2022 with an amount of VND 11,082,609,596.
- Bonus for Board of Executive additionally appropriated from net profit of 2022 with an amount of VND 13,500,000,000. The Company also temporarily paid an amount of VND 400,000,000 to the Boards of Directors, Supervisors from retained earnings of 2023.

19. OFF BALANCE SHEET ITEM

Foreign currency

	<u>Closing balance</u>	<u>Opening balance</u>
United States Dollar ("USD")	4,018,849	6,700,364

20. SEGMENTAL REPORTING

Structure segment

The below is the Company's report by structure segment:

	<u>Current year</u> VND	<u>Prior year</u> VND
Net revenue		
Head office		
- Revenue from customers	3,208,216,274,262	3,043,610,673,280
- Revenue from Branch	135,660,461,607	123,511,486,239
	<u>3,343,876,735,869</u>	<u>3,167,122,159,519</u>
Branch		
- Revenue from customers	202,158,649,123	175,428,581,165
	<u>202,158,649,123</u>	<u>175,428,581,165</u>
	<u>3,546,035,384,992</u>	<u>3,342,550,740,684</u>
Cost of sales		
Head office		
- Cost of sales from customers	2,314,684,150,125	2,162,773,491,851
- Cost of sales from Branch	135,660,461,607	123,511,486,239
	<u>2,450,344,611,732</u>	<u>2,286,284,978,090</u>
Branch		
- Cost of sales from customers	194,584,928,059	169,976,589,022
	<u>2,644,929,539,791</u>	<u>2,456,261,567,112</u>
Elimination		
Internal revenue	135,660,461,607	123,511,486,239
Internal cost of sales	135,660,461,607	123,511,486,239
Net revenue and cost of sales		
Net revenue	3,410,374,923,385	3,219,039,254,445
Cost of sales	2,509,269,078,184	2,332,750,080,873

Geographical segment

The below is the Company's report by geographical segment:

	<u>Current year</u> VND	<u>Prior year</u> VND
Net revenue		
Domestic	2,628,858,164,028	2,354,322,100,835
Export	781,516,759,357	864,717,153,610
	<u>3,410,374,923,385</u>	<u>3,219,039,254,445</u>
Cost of sales		
Domestic	1,899,600,615,128	1,706,113,109,227
Export	609,668,463,056	626,636,971,646
	<u>2,509,269,078,184</u>	<u>2,332,750,080,873</u>
Gross profit		
Domestic	729,257,548,900	648,208,991,608
Export	171,848,296,301	238,080,181,964
	<u>901,105,845,201</u>	<u>886,289,173,572</u>

The segmental reporting by assets and liabilities is not presented as assets and liabilities are managed at one place. Thus, the Board of Executive Officers does not present on segment report.

21. NET REVENUE

	<u>Current year</u> VND	<u>Prior year</u> VND
Gross revenue		
- Sales of finished goods and merchandise	3,411,081,798,341	3,218,900,924,900
- Others	812,369,604	969,215,369
	<u>3,411,894,167,945</u>	<u>3,219,870,140,269</u>
Deductions		
- Sales return	1,519,244,560	830,885,824
	<u>3,410,374,923,385</u>	<u>3,219,039,254,445</u>
<i>In which:</i>		
- Revenue from related parties (Note 29)	<u>77,502,709,525</u>	<u>2,324,911,876</u>

22. PRODUCTION COST BY NATURE

	<u>Current year</u> VND	<u>Prior year</u> VND
Raw materials and consumables	2,523,608,687,522	2,504,647,573,048
Labour costs	481,894,523,478	447,938,523,508
Depreciation and amortisation	30,417,294,138	29,764,069,840
Out-sourced services	105,095,020,662	104,908,405,085
Others	432,690,117,276	463,654,174,100
	<u>3,573,705,643,076</u>	<u>3,550,912,745,581</u>

23. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Bank interest income	29,775,439,836	20,597,217,463
Foreign exchange gain	10,141,233,535	14,505,991,271
Others	1,541,372,159	-
	<u>41,458,045,530</u>	<u>35,103,208,734</u>

24. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense	8,588,351,275	3,446,433,817
Foreign exchange loss	2,594,746,810	3,633,565,821
	<u>11,183,098,085</u>	<u>7,079,999,638</u>

25. SELLING, GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
a. Selling expenses		
Salaries	62,783,513,991	53,423,403,614
Depreciation	159,446,209	195,221,088
Transportation	86,991,634,073	126,882,955,953
Advertising, marketing and commission	80,071,595,306	67,976,930,325
Others	244,553,533,016	246,302,312,813
	<u>474,559,722,595</u>	<u>494,780,823,793</u>
b. General and administration expenses		
Salaries	135,553,768,272	111,937,489,240
Depreciation	4,234,612,405	4,017,822,062
Outsourced service	5,017,086,849	5,123,746,064
Others	23,801,516,512	23,437,917,309
	<u>168,606,984,038</u>	<u>144,516,974,675</u>

26. CURRENT CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Profit before tax	289,481,810,280	277,065,239,904
Adjustments for taxable income		
<i>Add back: Non-deductible expenses</i>	-	-
Assessable income	<u>289,481,810,280</u>	<u>277,065,239,904</u>
Normal tax rate	20%	20%
Corporate income tax expense	<u>57,896,362,056</u>	<u>55,413,047,981</u>

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

27. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholder after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year.

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Accounting profit after corporate income tax	231,585,448,224	221,652,191,923
Bonus and welfare fund	(11,579,272,411)	(11,082,609,596)
Profit for the purpose of calculating basic earnings per share	220,006,175,813	210,569,582,327
Weighted average number of ordinary Shares to calculate basic earnings per share	8,100,000	8,100,000
Basic earnings per share	27,161	25,996

(*) According to the Company's financial policy, the Company applied the rate of 5% of profit after tax to estimate the bonus and welfare funds in the year to calculate the basic earnings per share. The final figures will be determined and approved by shareholders at the Company's Annual Shareholder Meeting.

28. COMMITMENTS

Operating lease commitments

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Minimum lease payments under operating leases recognized in the income statement for the year	6,811,898,380	6,643,645,284

At the balance sheet date, the Company had outstanding operating lease commitments under non-cancellable operating leases, which fall due as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Within one year	6,748,163,736	6,653,848,152
In the second to fifth year inclusive	8,092,327,472	11,360,000,000
	14,840,491,208	18,013,848,152

The operating lease commitments represent the rentals payable by the Company for renting the warehouses in Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam.

Capital commitment

According to the Resolution of the Board of Directors No. 03/NQ-HĐQT dated 12 April 2021, the Board of Directors approved the investment policy of phase 1 for the new factory at Vinh Loc 2 Industrial Park, Ben Luc District, Long An Province, including land rental and construction costs. Currently, the project is in the implementation stage of phase 1. The Company has been granted the Investment Registration Certificate No. 4807848131 dated 17 November 2021 by Long An Economic Zone Authority, with the total investment of two phases is VND 850 billion. The Company has signed a land lease contract, the lease period is until 25 March 2061, with land lease value of VND 139,904,604,772.

As at 31 December 2023, the capital commitments represent the outstanding contracted for acquisition of machinery and equipment which will be completed in the following year, amounting to 18,389,991,937 VND (as at 31 December 2022: VND 8,964,990,172).

29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties

Parties are considered related to the Company if one party has the ability, directly or indirectly, to control the other one or significantly impact it in making financial and operating decisions, or where the Company and the other party are both subject to common control or in significant influence. Related parties may be individuals or corporate entities, including close family members of such related individuals.

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

<u>Related party</u>	<u>Relationship</u>
Cho Lon Investment and Import Export Corporation	Major shareholder
Masan Food One Member Company Limited	Major shareholder
Nichirei Foods Inc.	Major shareholder
Vinh Loc Industrial Park Company Limited	Subsidiary of major shareholder
Nichirei Foods U.S.A., Inc.	Subsidiary of major shareholder
Seafood Specialty Joint Stock Company (Seaspimex)	Company managed by Board of Management's Member
Transimex Joint Stock Company	Company managed by Board of Management's Member
Wincommerce General Trading Services Joint Stock Company	Company managed by Board of Management's Member

During the year, the Company entered into the following significant transactions with its related parties:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Purchases and services		
Vinh Loc Industrial Park Company Limited	18,976,555,226	16,746,959,201
Seafood Specialty Joint Stock Company (Seaspimex)	14,692,460,606	-
Transimex Joint Stock Company	8,673,045,999	-
Cho Lon Investment and Import-Export Corporation	642,289,970	665,434,307
	<u>42,984,351,801</u>	<u>17,412,393,508</u>
Sales		
Nichirei Foods U.S.A., Inc.	67,745,849,846	-
Wincommerce General Trading Services Joint Stock Company	9,068,394,695	-
Cho Lon Investment and Import Export Corporation	597,383,334	2,268,831,161
Vinh Loc Industrial Park Company Limited	50,959,560	56,080,715
Transimex Joint Stock Company	40,122,090	-
	<u>77,502,709,525</u>	<u>2,324,911,876</u>
Dividends paid		
Cho Lon Investment and Import-Export Corporation	16,490,000,000	16,490,000,000
Masan Food One Member Company Limited	13,296,085,000	13,296,085,000
Nichirei Foods Inc.	7,695,000,000	7,695,000,000
	<u>37,481,085,000</u>	<u>37,481,085,000</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term trade receivable		
Wincommerce General Trading Services Joint Stock Company	9,068,394,695	6,597,392,693
Cho Lon Investment and Import Export Corporation	-	320,830,957
Vinh Loc Industrial Park Company Limited	-	29,354,011
	<u>9,068,394,695</u>	<u>6,947,577,661</u>
Other short-term receivables		
Vinh Loc Industrial Park Company Limited	<u>197,706,000</u>	<u>165,854,000</u>
Short-term trade payables		
Seafood Specialty Joint Stock Company (Seaspimex)	4,569,297,211	-
Transimex Joint Stock Company	557,746,560	-
Vinh Loc Industrial Park Company Limited	678,598,344	757,980,638
Cho Lon Investment and Import Export Corporation	-	52,988,299
	<u>5,805,642,115</u>	<u>810,968,937</u>

Total remuneration paid to the Company's Board of Directors, Supervisors and Executive Officers during the year was as follows:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Board of Directors		
Huynh An Trung	240,000,000	160,000,000
Diep Nam Hai	120,000,000	120,000,000
Nguyen Thi Huyen Trang	120,000,000	120,000,000
Than Ngoc Nghia	120,000,000	80,000,000
	<u>600,000,000</u>	<u>480,000,000</u>
Board of Supervisors		
Pham Van Tranh	494,560,917	456,000,000
Vo Van Day	40,000,000	16,000,000
Truong Minh Thong	-	8,000,000
	<u>534,560,917</u>	<u>480,000,000</u>
Board of Executive Officers		
Diep Nam Hai	1,788,024,178	1,608,000,000
Nguyen Thi Huyen Trang	1,108,138,718	984,000,000
Ho Ngoc Huong	1,087,072,822	1,002,000,000
	<u>3,983,235,718</u>	<u>3,594,000,000</u>

30. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned from bank deposits during the year excluded VND 9,981,687,005 (2022: VND 5,076,107,941), representing interest earned during the year that has not yet been received. Consequently, changes in receivables had been adjusted by the same amount.

Interest paid during the year excluded VND 114,361,180, representing interest incurred during the year that has not yet been paid. Consequently, changes in payables had been adjusted by the same amount.

Dividend paid excluded an amount of VND 581,323,785 (2022: VND 506,248,185), representing the dividends that have not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for purchases of fixed assets and construction in progress during the year excluded an amount of VND 9,538,533,813 (2022: VND 5,736,543,534), representing the amount to purchase fixed assets that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

31. SUBSEQUENT EVENTS

According to Resolution of the Board of Directors No. 02/NQ-HĐQT dated 02 March 2024, the Company has decided for dividend payment in advance of the year 2023 dividend at the rate of 50%, corresponding to shareholders owning one (01) share will receive VND 5,000. The expected payment date is 10 May 2024.



Huynh Minh Duc
Preparer



Nguyen Thi Bich Ngoc
Chief Accountant



Diep Nam Hai
Chief Executive Officer
27 March 2024

