

DongHai Joint Stock Company of BenTre

Interim consolidated financial statements

For the six-month period ended 30 June 2023



DongHai Joint Stock Company of BenTre

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DongHai Joint Stock Company of BenTre

GENERAL INFORMATION

THE COMPANY

DongHai Joint Stock Company of BenTre ("the Company"), is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1300358260 issued by the Department of Planning and Investment ("DPI") of Ben Tre Province on 2 April 2003 and the 20th amendment ERC on 10 January 2023.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the trading code of DHC in accordance with the Decision No. 58/QĐ-SGDHCM issued by the HOSE on 18 June 2009.

The current principal activities of the Company and its subsidiaries are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic.

The normal production and business cycle of the Company is 12 months.

The Company head office is located at Lot AIII, Giao Long Industrial Zone, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr. Luong Van Thanh	Chairman
Mr. Le Ba Phuong	Vice Chairman
Mr. Nguyen Thanh Nghia	Member
Mr. Marco Martinelli	Member
Mr. Duong Thanh Cong	Member

BOARD OF SUPERVISION

Members of the Board of Supervision during the period and at the date of this report are:

Ms. Doan Thi Bich Thuy	Head
Ms. Doan Hong Lan	Member
Mr. Nguyen Quoc Binh	Member

MANAGEMENT

Members of the Management during the period and at the date of this report are:

Mr. Le Ba Phuong	General Director
Mr. Luong Van Thanh	Deputy General Director
Ms. Ho Thi Song Ngoc	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Le Ba Phuong.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

DongHai Joint Stock Company of BenTre

REPORT OF THE MANAGEMENT

The Management of DongHai Joint Stock Company of BenTre (“the Company”) is pleased to present this report and the interim consolidated financial statements of the Company and its subsidiaries (“the Group”) for the six-month period ended 30 June 2023.

THE MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated financial position of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY THE MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2023 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

For and on behalf of management:



Le Ba Phuong
General Director

Ben Tre Province, Vietnam

28 August 2023

Reference: 12120343/66923428-LR/HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of DongHai Joint Stock Company of BenTre

We have audited the accompanying interim consolidated financial statements of DongHai Joint Stock Company of BenTre ("the Company") and its subsidiary (collectively referred to as "the Group") as prepared on 28 August 2023 and set out on pages 5 to 34, which comprise the interim consolidated balance sheet as at 30 June 2023, and the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2023, the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements.

Ernst & Young Vietnam Limited



Phạm Thị Cam Tu
Deputy General Director
Audit Practicing Registration Certificate
No. 2266-2023-004-1

Ho Chi Minh City, Vietnam

28 August 2023

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2023


VND

Code	ASSETS	Notes	30 June 2023	31 December 2022
100	A. CURRENT ASSETS		1,714,125,166,240	1,662,756,369,635
110	I. Cash and cash equivalents	4	165,669,719,303	189,178,341,116
111	1. Cash		133,669,719,303	134,178,341,116
112	2. Cash equivalents		32,000,000,000	55,000,000,000
120	II. Short-term investment		44,828,795,787	19,102,085,696
123	1. Held-to-maturity investment	5	44,828,795,787	19,102,085,696
130	III. Current accounts receivable		794,294,436,096	781,714,955,602
131	1. Short-term trade receivables	6	587,243,977,313	678,802,602,553
132	2. Short-term advances to suppliers	7	209,817,724,434	108,420,285,690
136	3. Other short-term receivables		5,985,649,654	2,119,331,542
137	4. Provision for doubtful short-term receivables	6	(8,752,915,305)	(7,627,264,183)
140	IV. Inventory		647,855,136,938	628,715,196,607
141	1. Inventories	8	647,855,136,938	628,715,196,607
150	V. Other current assets		61,477,078,116	44,045,790,614
151	1. Short-term prepaid expenses	9	16,253,838,561	13,378,897,647
152	2. Value-added tax deductible		45,223,239,555	30,666,892,967
200	B. NON-CURRENT ASSETS		1,164,996,679,474	1,219,726,803,729
210	I. Long-term receivable		5,956,880,000	7,276,430,000
211	1. Long-term trade receivables	6	5,956,880,000	7,276,430,000
220	II. Fixed assets		1,087,978,517,599	1,138,189,069,171
221	1. Tangible fixed assets	10	1,087,684,910,366	1,137,830,233,701
222	Cost		1,698,166,136,567	1,698,338,607,785
223	Accumulated depreciation		(610,481,226,201)	(560,508,374,084)
227	2. Intangible fixed assets	11	293,607,233	358,835,470
228	Cost		1,044,334,250	1,044,334,250
229	Accumulated amortisation		(750,727,017)	(685,498,780)
240	III. Long-term asset in progress		45,349,051,768	44,753,101,628
242	1. Construction in progress	12	45,349,051,768	44,753,101,628
250	IV. Long-term investment		6,553,476,628	5,296,159,450
252	1. Investment in an associate	13	6,553,476,628	5,296,159,450
260	V. Other long-term assets		19,158,753,479	24,212,043,480
261	1. Long-term prepaid expenses	9	18,254,482,475	23,577,973,496
262	2. Deferred tax asset	27.3	904,271,004	634,069,984
270	TOTAL ASSETS		2,879,121,845,714	2,882,483,173,364

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2023

VND

Code	RESOURCES	Notes	30 June 2023	31 December 2022
300	C. LIABILITIES		1,037,642,773,531	1,131,127,570,739
310	I. Current liabilities		1,037,642,773,531	1,131,127,570,739
311	1. Short-term trade payables	14	275,535,738,739	532,623,989,424
312	2. Short-term advances from customers	15	15,008,529,589	27,284,420,722
313	3. Statutory obligations	16	17,143,417,478	16,478,940,206
314	4. Payables to employees		22,154,275,304	19,943,412,966
315	5. Short-term accrued expenses	17	4,447,623,433	8,350,042,877
318	6. Short-term unearned revenues		426,638,398	109,090,909
319	7. Other short-term payables	18	4,168,422,336	4,528,423,461
320	8. Short-term loans	19	693,511,960,588	518,363,300,196
322	9. Bonus and welfare fund		5,246,167,666	3,445,949,978
400	D. OWNERS' EQUITY		1,841,479,072,183	1,751,355,602,625
410	I. Equity	20	1,841,479,072,183	1,751,355,602,625
411	1. Share capital		804,930,480,000	699,944,230,000
411a	- Ordinary shares with voting rights		804,930,480,000	699,944,230,000
412	2. Share premium		235,247,935,803	235,247,935,803
418	3. Investment and development fund		101,877,261,214	82,904,331,993
421	4. Undistributed earnings		696,399,395,166	730,259,104,829
421a	- Undistributed earnings by the end of prior period		518,217,705,920	455,792,154,911
421b	- Undistributed earnings of current period		178,181,689,246	274,466,949,918
429	5. Non-controlling interest		3,024,000,000	3,000,000,000
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,879,121,845,714	2,882,483,173,364


Phan Thi Truc Ly
Preparer

Nguyen Hong Thanh
Chief AccountantLe Ba Phuong
General Director

Ben Tre Province, Vietnam

28 August 2023

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
01	1. Revenues from sale of goods	21.1	1,649,502,165,981	2,025,605,821,463
02	2. Deductions	21.1	(890,826,640)	(129,417,454)
10	3. Net revenues from sale of goods	21.1	1,648,611,339,341	2,025,476,404,009
11	4. Costs of goods sold	22	(1,364,424,225,372)	(1,661,619,146,747)
20	5. Gross profit from sale of goods		284,187,113,969	363,857,257,262
21	6. Finance income	21.2	17,664,271,176	5,720,290,497
22	7. Finance expenses	23	(19,500,656,541)	(16,499,602,759)
23	<i>In which: Interest expense</i>		(18,469,041,274)	(8,089,093,517)
24	8. Shares of profit of associate	13	1,569,317,178	383,916,539
25	9. Selling expenses	24	(53,810,184,996)	(56,370,822,250)
26	10. General and administrative expenses	24	(28,697,061,792)	(31,735,267,604)
30	11. Operating profit		201,412,798,994	265,355,771,685
31	12. Other income	25	5,013,739,480	1,132,816,993
32	13. Other expenses		(25,985,758)	(668,710,913)
40	14. Other profit		4,987,753,722	464,106,080
50	15. Accounting profit before tax		206,400,552,716	265,819,877,765
51	16. Current corporate income tax expense	27.1	(28,497,064,490)	(34,830,381,210)
52	17. Deferred income tax	27.3	270,201,020	499,837,596
60	18. Net profit after tax		178,173,689,246	231,489,334,151
61	19. Net profit after tax attributable to shareholders of the parent		178,173,689,246	231,489,334,151
70	20. Basic earnings per share	20.4	2,168	2,818
71	21. Diluted earnings per share	20.4	2,168	2,818



Phan Thi Truc Ly
Preparer



Nguyen Hong Thanh
Chief Accountant



Le Ba Phuong
General Director

Ben Tre Province, Vietnam
28 August 2023

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		206,400,552,716	265,819,877,765
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11	50,641,306,445	48,503,271,854
03	Provision (reversal of provision)		1,125,651,122	(231,040,427)
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		689,400,552	2,711,354,540
05	Profits from investing activities		(5,323,588,887)	(2,382,012,920)
06	Interest expenses	23	18,469,041,274	8,089,093,517
08	Operating profit before changes in working capital		272,002,363,222	322,510,544,329
09	Increase in receivables		(26,647,352,380)	(214,493,764,081)
10	Increase in inventories		(19,139,940,331)	(367,387,666,447)
11	(Decrease) increase in payables		(195,531,954,967)	277,264,879,092
12	Decrease (increase) in prepaid expenses		2,448,550,107	(4,327,735,117)
14	Interest paid		(16,502,079,321)	(7,442,695,741)
15	Corporate income tax paid	16	(28,094,313,378)	(19,047,105,010)
17	Other cash outflows for operating activities		(5,788,954,000)	(8,191,666,192)
20	Net cash flow used in operating activities		(17,253,681,048)	(21,115,209,167)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets		(79,025,963,611)	(20,402,723,917)
22	Proceeds from disposals of fixed assets		181,818,182	111,111,111
23	Payment of term deposits		(25,726,710,091)	(5,000,000,000)
24	Collection of term deposits		569,410,765	30,000,000,000
27	Bank interest and dividends received		3,057,631,997	1,611,152,534
30	Net cash flow (used in) from investing activities		(100,943,812,758)	6,319,539,728
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contributions of non- controlling shareholders		32,000,000	-
33	Drawdown of borrowings	19	807,296,972,569	1,146,302,859,051
34	Repayment of borrowings	19	(632,148,312,177)	(990,735,295,355)
36	Dividends paid	20.2	(80,493,048,000)	(101,629,510,900)
40	Net cash flow from financing activities		94,687,612,392	53,938,052,796

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2023

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
50	Net (decrease) increase in cash and cash equivalents for the period		(23,509,881,414)	39,142,383,357
60	Cash and cash equivalents at beginning of period		189,178,341,116	98,169,465,231
61	Impact of exchange rate fluctuation		1,259,601	1,128,726
70	Cash and cash equivalents at end of period	4	165,669,719,303	137,312,977,314



Phan Thi Truc Ly
Preparer



Nguyen Hong Thanh
Chief Accountant



Le Ba Phuong
General Director

Ben Tre Province, Vietnam

28 August 2023

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2023 and for the six-month period then ended

1. CORPORATE INFORMATION

DongHai Joint Stock Company of BenTre ("the Company"), is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1300358260 issued by the Department of Planning and Investment ("DPI") of Ben Tre Province on 2 April 2003 and the 20th amendment ERC on 10 January 2023.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the trading code of DHC in accordance with the Decision No. 58/QĐ-SGDHCM issued by the HOSE on 18 June 2009.

The current principal activities of the Company are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic.

The normal production and business cycle of the Company is 12 months.

The Company's head office is located at Lot AIII, Giao Long Industrial Zone, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam.

The number of Group's employees as at 30 June 2023 was 670 (31 December 2022: 742).

Corporate structure

The Company's corporate structure includes 2 subsidiaries and an associate. Details are as follows:

Names	Business activities	Status of operation	% ownership and voting right	
			As at 30 June 2023 (%)	As at 31 December 2022 (%)
Subsidiaries				
(1) Ben Tre Packaging One Member Company Limited ("Ben Tre Packaging")	Manufacturing and trading in carton packaging	Operating	100.00	100.00
(2) Giao Long Paper Joint Stock Company	Manufacturing and trading in kraft paper	Pre-Operating	98.32	97.00
Associate				
(1) Tan Cang Giao Long Joint Stock Company ("Tan Cang Giao Long")	Providing port operation and transportation services	Operating	26.00	26.00

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The interim consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying interim consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal system.

2.3 Accounting currency

The interim consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.4 Fiscal year

The Group's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2023.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of the parent company and subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term deposits, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Accounts receivable*

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

3.3 *Inventories*

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, spare parts and merchandise - cost of purchase on a weighted average basis.

Finished goods and work-in process - cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the interim balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their cost and accumulated depreciation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

When intangible fixed assets are sold or retired, their cost and accumulated amortisation are removed from the interim consolidated balance sheet and any gain or loss resulting from their disposal is included in the interim consolidated income statement.

3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 35 years
Machinery and equipment	3 - 20 years
Means of transportation	5 - 10 years
Office equipment	5 - 8 years
Computer software	5 years
Others	8 years

3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the period.

3.8 *Construction in process*

Construction in progress represents costs that are directly attributable to the acquisition and construction to produce an asset in the course of construction at the interim balance sheet date.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.10 *Business combinations*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments

Investment in an associate

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of an associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of an associate.

The share of post-acquisition profit of an associate is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from an associate reduces the carrying amount of the investment.

The interim financial statements of an associate are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the interim balance sheet date.

Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.12 Payables and accrued expenses

Payables and accrued expenses are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Foreign currency transactions* (continued)

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the interim consolidated income statement.

3.14 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

▶ *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

▶ *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the interim consolidated balance sheet.

▶ *Dividend*

Cash dividends are recognised as a liability in the interim consolidated balance sheet upon the approval by the shareholders at the Annual General Meeting and decision for implementation by the Company's Board of Directors.

Stock dividends are recognised in the interim consolidated balance sheet when the Group completes all required legal procedures as prevailing regulations.

3.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the interim balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim balance sheet date between the tax base of assets and liabilities and their carrying amount for interim consolidated financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each interim balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each interim balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised, or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.18 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

3.19 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The current principal activities of the Group are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is manufacturing or the locations where the Group is trading. As a result, the Group's Management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2023	31 December 2022
Cash on hand	134,855,500	122,183,900
Cash in banks	133,534,863,803	134,056,157,216
Cash equivalents (*)	<u>32,000,000,000</u>	<u>55,000,000,000</u>
TOTAL	<u>165,669,719,303</u>	<u>189,178,341,116</u>

(*) Cash equivalents represent term-deposits with original maturities of less than three months and earn interest is the applicable rate .

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as at 30 June 2023 and for the six-month period then ended

5. HELD-TO-MATURITY INVESTMENT

	VND	
	30 June 2023	31 December 2022
Held-to-maturity investment (*)	<u>44,828,795,787</u>	<u>19,102,085,696</u>

(*) Held-to-maturity investment represents short-term deposits at commercial banks with original maturity of more than three months and less than one year; and earns interest at the applicable rates.

The Group pledged a part of its held-to-maturity investments to secure the short-term loans obtained from banks (Note 19).

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	30 June 2023	31 December 2022
Short-term		
- Box-Pak Vietnam Co., Ltd	80,795,133,980	192,806,399,305
- Phuc Hao Manufacturing - Trading Co., Ltd	58,627,525,281	55,073,045,664
- Hoang Long International Import Export Investment JSC	57,288,116,505	51,072,724,692
- Vina Sunwoo Co., Ltd.	17,326,063,785	11,983,235,803
- Others	<u>373,207,137,762</u>	<u>367,867,197,089</u>
TOTAL	<u>587,243,977,313</u>	<u>678,802,602,553</u>
Provision for doubtful short-term receivables	<u>(8,752,915,305)</u>	<u>(7,627,264,183)</u>
NET	<u>578,491,062,008</u>	<u>671,175,338,370</u>
<i>In which:</i>		
<i>Receivable from third parties</i>	578,491,062,008	669,452,338,388
<i>Receivable from a related party (Note 28)</i>	-	1,722,999,982
Long-term		
- T&V Coconut Co., Ltd	3,603,700,000	4,301,500,000
- Truc Lan Vy One Member Co., Ltd	<u>2,353,180,000</u>	<u>2,974,930,000</u>
TOTAL	<u>5,956,880,000</u>	<u>7,276,430,000</u>

(*) The Group pledged short-term trade receivables to secure the short-term loans obtained from banks (Note 19).

Details of movement of provision for doubtful short-term receivables are as follows:

	VND	
	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Beginning balance	(7,627,264,183)	(7,534,234,787)
Provision during the period	(1,134,719,522)	-
Utilisation and reversal during the period	<u>9,068,400</u>	<u>231,040,427</u>
Ending balance	<u>(8,752,915,305)</u>	<u>(7,303,194,360)</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

7. SHORT-TERM ADVANCE TO SUPPLIERS

	VND	
	30 June 2023 31 December 2022	
Duc Long Investment and Production One Member Co., Ltd	65,325,367,977	45,325,367,977
Song An Minh Trading and Service Co., Ltd	17,912,017,224	18,706,163,240
Gay Viet Service and Trading JSC	16,776,560,000	-
Lam Phong Commercial Construction JSC	15,000,000,000	10,000,000,000
Others	94,803,779,233	34,388,754,473
TOTAL	<u>209,817,724,434</u>	<u>108,420,285,690</u>

8. INVENTORIES

	VND	
	30 June 2023 31 December 2022	
Raw materials	303,649,838,942	199,447,286,451
Goods in transit	147,644,013,958	222,184,612,003
Spare parts	135,739,374,621	124,903,379,172
Finished goods	59,676,370,439	81,477,457,333
Work in process	910,279,647	448,428,844
Tools and supplies	235,259,331	254,032,804
TOTAL	<u>647,855,136,938</u>	<u>628,715,196,607</u>

9. PREPAID EXPENSES

	VND	
	30 June 2023 31 December 2022	
Short-term	16,253,838,561	13,378,897,647
Tools and supplies	10,793,681,381	6,894,638,461
Repairing expenses	3,378,149,794	4,855,120,683
Insurance expenses	851,174,810	1,532,109,503
Others	1,230,832,576	97,029,000
Long-term	18,254,482,475	23,577,973,496
Tools and supplies	7,928,828,906	10,914,880,107
Land rental fee	3,061,255,200	3,217,290,030
Other	7,264,398,369	9,445,803,359
TOTAL	<u>34,508,321,036</u>	<u>36,956,871,143</u>

DongHai Joint Stock Company of BenTre

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

10. TANGIBLE FIXED ASSETS

	VND					
	<i>Machinery and equipment</i>	<i>Buildings and structures</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
As at 31 December 2022	1,152,630,357,505	465,921,235,563	66,870,746,360	12,499,768,857	416,499,500	1,698,338,607,785
New purchases	40,000,000	390,754,873	-	-	-	430,754,873
Disposals	-	-	(495,226,091)	(108,000,000)	-	(603,226,091)
As at 30 June 2023	<u>1,152,670,357,505</u>	<u>466,311,990,436</u>	<u>66,375,520,269</u>	<u>12,391,768,857</u>	<u>416,499,500</u>	<u>1,698,166,136,567</u>
<i>In which:</i>						
<i>Fully depreciated</i>	177,285,164,933	30,886,302,621	16,303,731,052	2,282,019,948	193,710,000	226,950,928,554
Accumulated depreciation						
As at 31 December 2022	(393,193,941,965)	(128,139,104,553)	(33,316,493,894)	(5,637,147,922)	(221,685,750)	(560,508,374,084)
Depreciation for the period	(33,532,268,956)	(12,180,997,992)	(3,886,024,263)	(958,373,867)	(18,413,130)	(50,576,078,208)
Disposals	-	-	495,226,091	108,000,000	-	603,226,091
As at 30 June 2023	<u>(426,726,210,921)</u>	<u>(140,320,102,545)</u>	<u>(36,707,292,066)</u>	<u>(6,487,521,789)</u>	<u>(240,098,880)</u>	<u>(610,481,226,201)</u>
Net carrying amount:						
As at 31 December 2022	<u>759,436,415,540</u>	<u>337,782,131,010</u>	<u>33,554,252,466</u>	<u>6,862,620,935</u>	<u>194,813,750</u>	<u>1,137,830,233,701</u>
As at 30 June 2023	<u>725,944,146,584</u>	<u>325,991,887,891</u>	<u>29,668,228,203</u>	<u>5,904,247,068</u>	<u>176,400,620</u>	<u>1,087,684,910,366</u>
<i>In which:</i>						
<i>Mortgaged as loan security (Note 19)</i>	13,601,166,331	70,926,583,532	5,768,565,271	-	-	90,296,315,134

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

11. INTANGIBLE FIXED ASSETS

	Computer software	Others	VND Total
Cost:			
As at 31 December 2022			
and as at 30 June 2023	232,602,450	811,731,800	1,044,334,250
<i>In which:</i>			
Full amortised	82,602,450	306,231,800	388,834,250
Accumulated amortisation:			
As at 31 December 2022	(100,273,730)	(585,225,050)	(685,498,780)
Amortised for the period	(14,876,752)	(50,351,485)	(65,228,237)
As at 30 June 2023	(115,150,482)	(635,576,535)	(750,727,017)
Net carrying amount:			
As at 31 December 2022	132,328,720	226,506,750	358,835,470
As at 30 June 2023	117,451,968	176,155,265	293,607,233

12. CONSTRUCTION IN PROGRESS

	VND	
	30 June 2023	31 December 2022
Construction of Giao Long Paper Factory	44,576,748,541	44,575,268,901
Others	772,303,227	177,832,727
TOTAL	45,349,051,768	44,753,101,628

13. INVESTMENT IN AN ASSOCIATE

	30 June 2023		31 December 2022	
	Ownership	Cost	Ownership	Cost
	(%)	VND	(%)	VND
Tan Cang Giao Long	26.00	6,553,476,628	26.00	5,296,159,450

(*) Tan Cang Giao Long Joint Stock Company, is incorporated the ERC No. 13009990134 issued by the DPI of Ben Tre Province on 12 August 2015. Its head office is located at No. 126, Long Thanh Hamlet, Giao Long Commune, Chau Thanh District, Ben Tre Province, Vietnam. The current principal activities of this company are providing port operation and transportation services.

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13. INVESTMENT IN AN ASSOCIATE (continue)

Details of this investment in an associate is as follows:

	VND
Cost of investment:	
As at 31 December 2022 and as at 30 June 2023	2,600,000,000
Accumulated share in post-acquisition profit of the associate:	
As at 31 December 2022	2,696,159,450
Share in post-acquisition profit of the associate for the period	1,569,317,178
Dividends	<u>(312,000,000)</u>
As at 30 June 2023	<u>3,953,476,628</u>
Net carrying amount:	
As at 31 December 2022	<u>5,296,159,450</u>
As at 30 June 2023	<u>6,553,476,628</u>

14. SHORT-TERM TRADE PAYABLES

	VND	
	30 June 2023	31 December 2022
Payables to suppliers	233,096,764,778	495,826,317,273
- <i>Vipa Lausanne SA</i>	55,462,130,500	181,812,643,601
- <i>Jiangsu Huadong Paper Machinery Co., Ltd</i>	13,698,909,750	14,108,818,626
- <i>International Forest Products (UK)</i>	12,566,866,238	39,362,989,644
- <i>Others</i>	151,111,527,590	260,541,865,402
Related parties (Note 28)	42,696,304,661	36,797,672,151
TOTAL	<u>275,535,738,739</u>	<u>532,623,989,424</u>

15. SHORT-TERM ADVANCE FROM CUSTOMERS

	VND	
	30 June 2023	31 December 2022
Taicang Lingbo Paper Co., Ltd	8,770,646,005	3,672,271,208
Dongguan ZhenXing Paper Co., Ltd	3,284,990,110	6,396,644,457
Kwok Fung (Sino HK) Enterprise Ltd	2,329,307,999	867,935
Others	623,585,475	17,214,637,122
TOTAL	<u>15,008,529,589</u>	<u>27,284,420,722</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

16. STATUTORY OBLIGATIONS

				VND
	31 December 2022	Increase in period	Decrease in period	30 June 2023
Corporate income tax	14,166,794,496	28,497,064,490	(28,094,313,378)	14,569,545,608
Personal income tax	2,312,145,710	7,083,939,116	(6,822,212,956)	2,573,871,870
Value-added tax	-	129,560,993,243	(129,560,993,243)	-
Others	-	64,233,836,283	(64,233,836,283)	-
TOTAL	<u>16,478,940,206</u>	<u>229,800,240,915</u>	<u>(229,135,763,643)</u>	<u>17,143,417,478</u>

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	30 June 2023	31 December 2022
Utilities	2,480,661,480	6,535,006,112
Interest expenses	1,966,961,953	1,815,036,765
TOTAL	<u>4,447,623,433</u>	<u>8,350,042,877</u>

18. OTHER SHORT-TERM PAYABLES

	VND	
	30 June 2023	31 December 2022
Commission fees	3,259,061,872	2,725,039,559
Bonus for the Boards of Directors and Supervision	185,717,287	480,717,287
Dividend payables	123,851,000	154,258,000
Others	599,792,177	1,168,408,615
TOTAL	<u>4,168,422,336</u>	<u>4,528,423,461</u>

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19. SHORT-TERM LOANS

	<i>31 December 2022</i>	<i>Increase</i>	<i>Decrease</i>	<i>VND</i> <i>30 June 2023</i>
Short-term loan from banks	<u>518,363,300,196</u>	<u>807,296,972,569</u>	<u>(632,148,312,177)</u>	<u>693,511,960,588</u>
Details of the short-term loans from banks to facilitate its working capitals are as follows:				
<i>Banks</i>	<i>As at 30 June 2023</i> <i>VND</i>	<i>Maturity date</i>	<i>Interest</i> <i>% p.a</i>	<i>Collaterals</i>
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Tien Giang Branch	362,936,143,917	From 28 July 2023 to 30 November 2023	5.0 - 7.6	All attached assets belonged to Giao Long Factory and Giao Long Factory - Phase 2, machineries and equipment and means of transportation
Hongkong and Shanghai Banking Corporation	193,245,498,153	From 9 August 2023 to 29 November 2023	6.7 - 7.5	Trade receivable due from Box-Pak Vietnam Co., Ltd. and other trade receivables amounting to VND 200,000,000,000
Bank of Investment and Development - Ben Tre Branch	69,018,972,655	From 28 July 2023 to 2 November 2023	6.6 - 7.8	Deposits with the value of VND 1,000,000,000, machineries and equipment and other means of transportation
Shinhan bank Vietnam Limited - Ho Chi Minh City Branch	49,796,922,056	From 10 July 2023 to 12 November 2023	4.5	Trade Rreceivables due from Vina Sunwoo Co., Ltd
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ben Tre Branch	18,514,423,807	From 23 December 2023 to 30 December 2023	5.8	Trade receivables amounting to VND 200.000.000.000
TOTAL	<u>693,511,960,588</u>			

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20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

						VND
	Share capital	Share premium	Investment and development fund	Undistributed earnings	Non- controlling interests	Total
For the six-month period ended 30 June 2022						
As at 31 December 2021	699,944,230,000	235,247,935,803	58,837,320,462	703,066,240,055	-	1,697,095,726,320
Net profit for the period	-	-	-	231,489,334,151	-	231,489,334,151
Dividends	-	-	-	(174,986,057,500)	-	(174,986,057,500)
Investment and development fund appropriation	-	-	24,067,011,531	(24,067,011,531)	-	-
Transfer to bonus and welfare fund	-	-	-	(9,626,804,612)	-	(9,626,804,612)
Remuneration of the Boards of Directors and Supervision	-	-	-	(3,597,000,000)	-	(3,597,000,000)
As at 30 June 2022	<u>699,944,230,000</u>	<u>235,247,935,803</u>	<u>82,904,331,993</u>	<u>722,278,700,563</u>	<u>-</u>	<u>1,740,375,198,359</u>
For the six-month period ended 30 June 2023						
As at 31 December 2022	699,944,230,000	235,247,935,803	82,904,331,993	730,259,104,829	3,000,000,000	1,751,355,602,625
Net profit for the period	-	-	-	178,173,689,246	-	178,173,689,246
Issuance of new shares for dividends (Note 20.2)	104,986,250,000	-	-	(104,986,250,000)	-	-
Dividends (Note 20.2)	-	-	-	(80,493,048,000)	-	(80,493,048,000)
Investment and development fund appropriation (*)	-	-	18,972,929,221	(18,972,929,221)	-	-
Transfer to bonus and welfare fund (*)	-	-	-	(7,589,171,688)	-	(7,589,171,688)
Capital contribution	-	-	-	-	32,000,000	32,000,000
Change the ownership in a subsidiary	-	-	-	8,000,000	(8,000,000)	-
As at 30 June 2023	<u>804,930,480,000</u>	<u>235,247,935,803</u>	<u>101,877,261,214</u>	<u>696,399,395,166</u>	<u>3,024,000,000</u>	<u>1,841,479,072,183</u>

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20. OWNERS' EQUITY (continued)

20.1 Increase and decrease in owners' equity

(*) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 26 June 2023, the Company's shareholders approved the appropriation of the investment and development funds, bonus and welfare funds at the rate of 5% and 2% of profit after tax of year 2022 respectively with a total amount of VND 26,562,100,909.

20.2 Capital transactions with owners and distribution of dividends

	VND	
	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Share capital		
Beginning balance	699,944,230,000	699,944,230,000
Increase	<u>104,986,250,000</u>	<u>-</u>
Ending balance	<u>804,930,480,000</u>	<u>699,944,230,000</u>
Dividends		
Dividends declared (*)	185,479,298,000	174,986,057,500
Dividends paid by cash (*)	(80,493,048,000)	(101,629,510,900)
- Dividends of 2021 paid by cash	-	(101,629,510,900)
- Advance dividends of 2022 by cash	(80,493,048,000)	-
Issuance of new shares for dividends (**)	(104,986,250,000)	-

(*) The Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 26 June 2023 approved the dividend payment of 2022 at 30% par value of ordinary shares in cash from the undistributed earnings of 2022 at total value of 225,731,206,500 VND.

During the six-month period ended 30 June 2023, the Company has advanced the 3rd dividends of 2022 in cash to existing shareholders at the rate of 10% par value of ordinary shares and with a total value of 80,493,048,000 VND, according to the Resolution of the Board of Directors ("BOD") No. 08/NQ-HDQT dated 25 April 2023. The Company has completed the advance of the 1st and 2nd dividends of 2022 in cash to at total rate of 15% par value of ordinary shares and with a total value of 104,991,634,500 VND in 2022.

(**) The Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 17 June 2022 approved the dividend payment plan of 2021 in shares at ratio 100:15. The Company completed the additional issuance of 10,498,625 shares on 27 January 2023. This increase of capital was approved by the DPI of Ben Tre Province through the issuance of the 20th amended ERC on 10 January 2023.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

20. OWNERS' EQUITY (continued)

20.3 Shares

	<i>Number of shares</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>
Authorised shares	80,493,048	69,994,423
Issued and fully paid shares		
<i>Ordinary shares</i>	<i>80,493,048</i>	<i>69,994,423</i>
Shares in circulation		
<i>Ordinary shares</i>	<i>80,493,048</i>	<i>69,994,423</i>

The par value of the Company's shares is VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

20.4 Earnings per share

The following reflects the income and share data used in the earnings per share computations:

	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Net profit after tax attributable to ordinary shareholders	178,173,689,246	231,489,334,151
Less: Bonus and welfare fund (i)	<u>(3,563,473,785)</u>	<u>(4,629,786,683)</u>
Net profit after tax attributable to ordinary shareholders for basic earnings (VND)	174,610,215,461	226,859,547,468
Weighted average number of ordinary shares for the period (shares) (ii)	80,493,048	80,493,048
Earnings per share (VND)		
<i>Basic earnings per share</i>	<i>2,168</i>	<i>2,818</i>
<i>Diluted earnings per share</i>	<i>2,168</i>	<i>2,818</i>

(i) Net profit used to compute earnings per share for the six-month period ended 30 June 2022 was restated following the actual distribution to bonus and welfare funds from 2022's undistributed earnings as approved in the AGM Resolution No 01/NQ-ĐHĐCĐ dated on 26 June 2023.

Net profit used to compute earnings per share for the six-month period ended 30 June 2023 was adjusted to decrease for bonus and welfare funds with expected distribution in accordance with the AGM Resolution No 01/NQ-ĐHĐCĐ dated on 26 June 2023.

(ii) The weighted average number of ordinary shares for the six-month period ended 30 June 2022 was adjusted by diluted shares to reflect the additional issuance of dividend shares at 15% of par value according to AGM resolution No 01/NQ-ĐHĐCĐ dated 17 June 2022 and the BOD resolution No 01/NQ-HĐQT dated 9 January 2023.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

21. REVENUES

21.1 Revenue from sale of goods

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Gross revenue	1,649,502,165,981	2,025,605,821,463
<i>Of which:</i>		
<i>Sale of finished goods</i>	1,643,235,494,219	2,007,420,610,695
<i>Sale of raw materials</i>	6,193,944,490	1,879,056,568
<i>Other sales</i>	72,727,272	16,306,154,200
Sales reduction	(890,826,640)	(129,417,454)
<i>Of which:</i>		
<i>Sales returns</i>	(799,991,400)	(129,417,454)
<i>Sales allowances</i>	(90,835,240)	-
Net revenue	<u>1,648,611,339,341</u>	<u>2,025,476,404,009</u>
<i>Of which:</i>		
<i>Sale of finished goods</i>	1,642,344,667,579	2,007,291,193,241
<i>Sale of raw material</i>	6,193,944,490	1,879,056,568
<i>Other sales</i>	72,727,272	16,306,154,200

21.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Foreign exchange gains	9,426,148,289	3,046,170,284
Interest from late payment	4,791,123,288	-
Interest income	3,315,042,762	1,886,985,270
Others	131,956,837	787,134,943
TOTAL	<u>17,664,271,176</u>	<u>5,720,290,497</u>

22. COST OF GOODS SOLD

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Cost of finished goods sold	1,358,170,303,784	1,646,163,146,869
Cost of merchandises sold	6,253,921,588	1,718,091,130
Cost of others	-	13,737,908,748
TOTAL	<u>1,364,424,225,372</u>	<u>1,661,619,146,747</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

23. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Interest expense	18,469,041,274	8,089,093,517
Foreign exchange loss	1,031,615,267	8,410,509,242
TOTAL	<u>19,500,656,541</u>	<u>16,499,602,759</u>

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Selling expenses	53,810,184,996	56,370,822,250
Expense for external services	39,668,375,833	44,078,992,577
Labour costs	8,935,257,384	8,149,079,675
Raw materials expense	2,700,945,851	2,389,834,381
Depreciation and amortisation	613,637,284	1,043,761,263
Others	1,891,968,644	709,154,354
General and administration expenses	28,697,061,792	31,735,267,604
Labour costs	16,475,001,459	19,636,909,235
Expense for external services	7,093,772,682	7,406,491,069
Depreciation and amortisation	978,912,497	1,523,696,382
Provision expense	741,720,136	942,109,260
Other expenses	3,407,655,018	2,226,061,658
TOTAL	<u>82,507,246,788</u>	<u>88,106,089,854</u>

25. OTHER INCOME

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Compensation received	4,831,921,298	991,310,126
Liquidation of assets	181,818,182	111,111,111
Others	-	30,395,756
TOTAL	<u>5,013,739,480</u>	<u>1,132,816,993</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Raw materials	891,437,111,624	1,618,621,795,153
Expense for external services	353,978,394,868	346,734,156,027
Labour costs	88,778,296,840	86,293,272,522
Depreciation and amortisation (Notes 10 and 11)	50,641,306,445	48,503,271,854
Others	29,747,284,541	9,757,704,914
TOTAL	<u>1,414,582,394,318</u>	<u>2,109,910,200,470</u>

27. CORPORATE INCOME TAX

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

Expansion investment project of the Company: In respect of Giao Long Phase 2 Paper factory, the Company is entitled to corporate income tax exemption for two years from its first year having taxable income (2020 - 2021) and a reduction of 50% for the following four years (2022 - 2025).

Ben Tre Packaging: This Company has the obligation to pay corporate income tax ("CIT") at the rate of 210% of taxable income as promulgated under Vietnamese tax regulations for six (6) years commencing from the first year operated (2022). This Company is entitled to an exemption from CIT for two (2) years commencing from the first year of earning taxable income, and a 50% reduction for the following four (4) years.

The Group's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could be changed at a later date upon determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Current CIT expense	28,497,064,490	34,830,381,210
Deferred CIT income	<u>(270,201,020)</u>	<u>(499,837,596)</u>
TOTAL	<u>28,226,863,470</u>	<u>34,330,543,614</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

27. CORPORATE INCOME TAX (continued)

27.1 CIT expense (continued)

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Accounting profit before tax	206,400,552,716	265,819,877,765
At CIT rate applicable:	41,280,110,543	53,163,975,553
<i>Adjustments:</i>		
Non-deductible expenses	288,792,665	333,710,793
Share profit in an associate	(313,863,436)	(76,783,308)
Tax loss of a subsidiary	361,046,690	158,293,281
CIT deduction	<u>(13,389,222,992)</u>	<u>(19,248,652,705)</u>
CIT expense	<u>28,226,863,470</u>	<u>34,330,543,614</u>

27.2 Current tax

The current tax payable is based on taxable income for the current period. The taxable income of the Parent company and its subsidiaries for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Parent company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the interim consolidated balance sheet date.

27.3 Deferred tax

The following are the deferred tax asset recognised by the Group, and the movement thereon, during the current and for the six-month period ended 30 June 2022:

	VND			
	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Unrealized profit	904,271,004	634,069,984	270,201,020	499,837,596
Deferred tax asset	<u>904,271,004</u>	<u>634,069,984</u>		
Deferred income tax			<u>270,201,020</u>	<u>499,837,596</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

28. TRANSACTIONS WITH RELATED PARTIES

List of related parties that have a controlling relationship and related parties incurred transactions with the Company during the period is as follows:

<i>Related parties</i>	<i>Relationship</i>
Tan Cang Giao Long	Associate
Thanh Cong Energy Service Corporation ("Thanh Cong Energy")	Common member of Board of Directors

Significant transactions with related parties for current and previous period were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>VND</i>	
		<i>For the six-month period ended 30 June 2023</i>	<i>For the six-month period ended 30 June 2022</i>
Thanh Cong Energy	Purchase of steam	158,735,179,000	150,532,688,749
	Purchase of electricity	14,944,529,909	-
Tan Cang Giao Long	Purchases of services	25,567,530,000	6,253,678,950
	Yard rental	3,365,000,000	1,023,750,000

Amounts due to and due from related parties as at interim consolidated balance sheet dates were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>30 June 2023</i>	<i>31 December 2022</i>
<i>Trade receivable</i>			
Thanh Cong Energy	Sale of fixed assets	-	1,722,999,982
<i>Short-term trade payables</i>			
Thanh Cong Energy	Purchase of steam	39,751,956,661	29,145,915,351
Tan Cang Giao Long	Purchases of services	2,944,348,000	7,651,756,800
TOTAL		42,696,304,661	36,797,672,151

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors, Management and Board of Supervision:

Individuals	Position	VND	
		Remuneration	
		For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022
Mr Le Ba Phuong	Vice Chairman/ General Director	974,889,317	1,340,146,511
Mr Luong Van Thanh	Chairman/Deputy General Director	779,755,883	1,110,000,324
Ms Ho Thi Song Ngoc	Deputy General Director	514,159,798	842,804,648
Mr Nguyen Thanh Nghia	Member of BOD	57,000,000	207,000,000
Mr Marco Martinelli	Member of BOD	57,000,000	207,000,000
Mr Duong Thanh Cong	Member of BOD	57,000,000	-
Mrs Doan Thi Bich Thuy	Head of BOS	34,000,000	63,000,000
Mrs Doan Hong Lan	Member of BOS	106,050,339	142,688,040
Mr Nguyen Quoc Binh	Member of BOS	25,500,000	-
TOTAL		2,605,355,337	3,912,639,523

(*) *Comprising salary, allowance, bonus and other benefits.*

29. OPERATING LEASE COMMITMENT

The Group rents its land use rights under operating lease arrangements. The minimum lease commitments as at the reporting dates under the operating lease agreements are as follows:

	VND	
	30 June 2023	31 December 2022
Less than 1 year	6,905,343,557	995,239,204
From 1 to 5 years	6,424,640,895	3,980,956,814
Over 5 years	26,516,541,782	29,449,451,077
TOTAL	39,846,526,234	34,425,647,095

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period ended then

30. EVENTS AFTER THE BALANCE SHEET DATE

On 28 July 2023, the Board of Directors approved BOD Resolution No. 20/NQ-HĐQT on the final payment of the 2022 dividend by cash at the rate of 5% of par value with a total value of 40,246,524,000 VND, in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 26 June 2023 (Note 19.2).

Except for the event as disclosed above, there has not been any other significant matter or circumstance that has arisen since the interim balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.

Phan Thi Truc Ly
Preparer

Nguyen Hong Thanh
Chief Accountant

Le Ba Phuong
General Director

Ben Tre Province, Vietnam

28 August 2023





CÔNG TY CỔ PHẦN ĐÔNG HẢI BẾN TRE
DONG HAI JOINT STOCK COMPANY OF BENTRE

DC: Lô A III, Khu công nghiệp Giao Long, Xã An Phước, Huyện Châu Thành, Tỉnh Bến Tre, Việt Nam
Tel: 075.2470655 - 3611666 * Fax: 075.3635222 - 3611222
Email: donghaibentre@yahoo.com * Website: www.dohacobentre.com.vn

No: 105/CV-CTĐH

"Re: Explain the Consolidated results for the first 6 months of 2023"

Ben Tre, 28 August 2023

REPRESENTATION REPORT

To: - The Stage Securities Commission
- Ho Chi Minh Stock Exchange

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding the Information disclosure on securities market.

According to the audited consolidated results for the first six months of 2023, DongHai Joint Stock Company of Ben Tre and its subsidiaries have the net profit after tax is VND 178,173,689,246, down 23.03% compared to the first six months of 2022, due to these following reasons:

- Production output decrease, sales volume increased but kraft paper selling price decreased, raw paper price and input costs decreased, net revenue decreased by 18.61%, cost of goods sold decreased by 17.89%.

- Financial income increased by 208.80%, the mainly reason is the foreign exchange gains from payment for imported raw material to foreign suppliers.

- Financial expenses increase by 18.19%, in which interest expense increased by 128.32%, mainly due to short-term loan interest rates increased.

- Other income increased by 342.59%, mainly reason is the increase in compensation payments from the suppliers of imported waste paper.

- Ben Tre Packaging One Member Company Limited came into operation officially from April 2022, production and sales output is still low, not effective.

Detail:

Unit: VND

No.	Items	Six months of 2023	Six months of 2022	Difference	
				Value	Rate (%)
1	Net revenue from sales of goods	1,648,611,339,341	2,025,476,404,009	(376,865,064,668)	(18.61)
2	Cost of goods sold	1,364,424,225,372	1,661,619,146,747	(297,194,921,375)	(17.89)
3	Financial income	17,664,271,176	5,720,290,497	11,943,980,679	208.80
4	Financial expenses	19,500,656,541	16,499,602,759	3,001,053,782	18.19
	<i>In which: Interest expense</i>	<i>18,469,041,274</i>	<i>8,089,093,517</i>	<i>10,379,947,757</i>	<i>128.32</i>
5	Shares of profit of associate	1,569,317,178	383,916,539	1,185,400,639	308.77
6	Selling expenses	53,810,184,996	56,370,822,250	(2,560,637,254)	(4.54)
7	General and administrative expenses	28,697,061,792	31,735,267,604	(3,038,205,812)	(9.57)
8	Other income	5,013,739,480	1,132,816,993	3,880,922,487	342.59
9	Other expenses	25,985,758	668,710,913	(642,725,155)	(96.11)
10	Current corporate income tax expense	28,497,064,490	34,830,381,210	(6,333,316,720)	(18.18)
11	Deferred tax income	270,201,020	499,837,596	(229,636,576)	(45.94)
12	Net profit after tax	178,173,689,246	231,489,334,151	(53,315,644,905)	(23.03)

Dong Hai Joint Stock Company of Ben Tre kindly report to The State Securities Commission, Ho Chi Minh Stock Exchange .

Sincerely!

To:

- Above;
- Save.

DONG HAI JOINT STOCK COMPANY OF BEN TRE
GENERAL DIRECTOR



Lê Bá Phương