



Quang Ninh Mineral Water Corporation

Financial Statements for the year ended
31 December 2023



**Quang Ninh Mineral Water Corporation
Corporate Information**

Enterprise Registration

Certificate No. 5700379618

1 September 2004

The Enterprise Registration Certificate has been amended several times, the most recent of which is dated 13 December 2021. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Quang Ninh Province.

Board of Directors

Mr Nguyen Thieu Nam
Mr Dam Son
Mr Tran Phuong Bac
Mr Tran Tuan Cuong
Mr Huynh Viet Thang
Mr Duong Manh Cuong
Mr Nguyen Chi Thanh

Chairman
Member
Member
Member
Member
Member (from 7 April 2023)
Member (until 7 April 2023)

Audit Committee

Mr Huynh Viet Thang
Mr Duong Manh Cuong
Mr Nguyen Chi Thanh

Chairman
Member (from 7 April 2023)
Member (until 7 April 2023)

Board of Management

Mr Dam Son
Mr Nguyen Huu Chinh
Mr Huynh Ngoc Bao

Chief Executive Officer
Deputy Chief Executive Officer
Deputy Chief Executive Officer

Registered Office

Group 3A, Area 4
Suoi Mo Town
Bai Chay Ward
Ha Long City
Quang Ninh Province
Vietnam

Auditor

KPMG Limited
Vietnam

Quang Ninh Mineral Water Corporation Statement of the Board of Management

The Board of Management of Quang Ninh Mineral Water Corporation (“the Company”) presents this statement and the accompanying financial statements of the Company for the year ended 31 December 2023.

The Company’s Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Company’s Board of Management:

- (a) the financial statements set out on pages 5 to 31 give a true and fair view of the financial position of the Company as at 31 December 2023, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Company’s Board of Management has, on the date of this statement, authorised the accompanying financial statements for issue.

On behalf of the Board of Management



CÔNG TY
CỔ PHẦN
NƯỚC KHOÁNG
QUẢNG NINH

Dam Son
Chief Executive Officer

Quang Ninh Province, 1 March 2024



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Quang Ninh Mineral Water Corporation

We have audited the accompanying financial statements of Quang Ninh Mineral Water Corporation ("the Company"), which comprise the balance sheet as at 31 December 2023, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 1 March 2024, as set out on pages 5 to 31.

Management's Responsibility

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

Auditor's 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 of 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 auditor's judgement, 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 auditor considers 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 Company's Board of Management, as well as evaluating the overall presentation of the financial statements.

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

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Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Quang Ninh Mineral Water Corporation as at 31 December 2023 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 23-01-00661-24-1



Trương Văn Phúc

Practicing Auditor Registration
Certificate No. 1901-2023-007-1
Deputy General Director

Ho Chi Minh City, 1 March 2024

Nguyễn Thủy Ninh

Practicing Auditor Registration
Certificate No. 4623-2023-007-1



Quang Ninh Mineral Water Corporation
Balance sheet as at 31 December 2023

Form B 01 – DN

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

	Code	Note	31/12/2023 VND	1/1/2023 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		241,273,127,993	197,849,832,011
Cash and cash equivalents	110	4	53,377,563,144	110,520,439,675
Cash	111		1,377,563,144	1,020,439,675
Cash equivalents	112		52,000,000,000	109,500,000,000
Short-term financial investments	120		118,000,000,000	20,000,000,000
Held-to-maturity investments	123	5	118,000,000,000	20,000,000,000
Accounts receivable – short-term	130		61,268,848,317	58,291,977,373
Accounts receivable from customers	131	6	54,962,179,092	54,829,379,107
Prepayments to suppliers	132		3,018,302,102	3,007,677,854
Other short-term receivables	136		3,288,367,123	454,920,412
Inventories	140	7	8,065,414,393	8,629,229,432
Inventories	141		8,094,913,825	8,629,229,432
Allowance for inventories	149		(29,499,432)	-
Other current assets	150		561,302,139	408,185,531
Short-term prepaid expenses	151		561,302,139	408,185,531
Long-term assets (200 = 210 + 220 + 260)	200		36,958,232,141	45,300,344,921
Accounts receivable – long-term	210		812,717,000	962,717,000
Other long-term receivables	216		812,717,000	962,717,000
Fixed assets	220		24,955,056,100	30,395,804,116
Tangible fixed assets	221	8	19,837,757,990	24,044,804,116
Cost	222		71,637,778,142	74,664,417,049
Accumulated depreciation	223		(51,800,020,152)	(50,619,612,933)
Intangible fixed assets	227	9	5,117,298,110	6,351,000,000
Cost	228		18,054,278,798	18,686,432,798
Accumulated amortisation	229		(12,936,980,688)	(12,335,432,798)
Other long-term assets	260		11,190,459,041	13,941,823,805
Long-term prepaid expenses	261	10	10,381,680,298	13,211,107,975
Deferred tax assets	262	11	808,778,743	730,715,830
TOTAL ASSETS (270 = 100 + 200)	270		278,231,360,134	243,150,176,932

The accompanying notes are an integral part of these financial statements



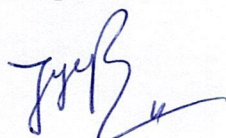
Quang Ninh Mineral Water Corporation
Balance sheet as at 31 December 2023 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2023 VND	1/1/2023 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		33,004,675,028	30,521,250,116
Current liabilities	310		25,233,426,028	20,785,584,116
Accounts payable to suppliers	311		12,494,153,377	11,757,604,343
Taxes payable to State Treasury	313	12	4,469,497,151	3,615,585,079
Accrued expenses	315	13	7,989,900,380	5,142,096,146
Other payables	319		121,975,120	112,398,548
Bonus and welfare funds	322		157,900,000	157,900,000
Long-term liabilities	330		7,771,249,000	9,735,666,000
Long-term accounts payable to suppliers	331		2,771,822,000	4,631,850,000
Long-term provisions	342	14	4,999,427,000	5,103,816,000
EQUITY (400 = 410)	400		245,226,685,106	212,628,926,816
Owners' equity	410	15	245,226,685,106	212,628,926,816
Share capital	411	16	80,000,000,000	80,000,000,000
Share premium	412	16	176,083,000	176,083,000
Treasury shares	415	16	(247,200,000)	(247,200,000)
Undistributed profits after tax	421		165,297,802,106	132,700,043,816
- Undistributed profits after tax brought forward	421a		123,124,763,816	92,423,193,488
- Undistributed profit after tax for the current year/prior year	421b		42,173,038,290	40,276,850,328
TOTAL RESOURCES (440 = 300 + 400)	440		278,231,360,134	243,150,176,932

1 March 2024

Prepared by:



Phung Thi Yen
General Accountant

Approved by:



Pham Thi Thu Huong
Chief Accountant



Dam Son
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Quang Ninh Mineral Water Corporation
Statement of income for the year ended 31 December 2023

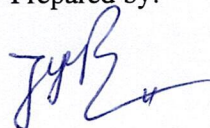
Form B 02 – DN

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

	Code	Note	2023 VND	2022 VND
Revenue from sale of goods and provision of services	01	19	245,031,897,835	258,880,316,732
Revenue deductions	02	19	16,051,560	-
Net revenue (10 = 01 - 02)	10		245,015,846,275	258,880,316,732
Cost of sales and services provided	11	20	183,877,935,970	193,940,755,188
Gross profit (20 = 10 - 11)	20		61,137,910,305	64,939,561,544
Financial income	21	21	11,911,543,084	3,913,039,323
Financial expense	22		48,842,500	12,460,000
Selling expenses	25		4,284,717,220	3,338,031,185
General and administration expenses	26	22	16,277,824,063	15,142,935,736
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		52,438,069,606	50,359,173,946
Other income	31		359,773,180	477,733,919
Other expenses	32		1,255,939	26,396,236
Results of other activities (40 = 31 - 32)	40		358,517,241	451,337,683
Accounting profit before tax (50 = 30 + 40)	50		52,796,586,847	50,810,511,629
Income tax expense – current	51	24	10,701,611,470	10,339,668,949
Income tax (benefit)/expense – deferred	52	24	(78,062,913)	193,992,352
Net profit after tax (60 = 50 - 51 - 52)	60		42,173,038,290	40,276,850,328
Earnings per share				
Basic earnings per share	70	25	5,285	5,048

1 March 2024

Prepared by:



Phung Thi Yen
General Accountant

Approved by:



Pham Thi Thu Huong
Chief Accountant



Dam Son
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Quang Ninh Mineral Water Corporation
Statement of cash flows for the year ended 31 December 2023
(Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	52,796,586,847	50,810,511,629
Adjustments for			
Depreciation and amortisation	02	5,422,301,911	6,227,075,673
Allowances and provisions	03	(36,229,138)	75,109,000
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	4,462,500	(9,100,000)
Profits from investing activities	05	(12,180,418,993)	(4,357,550,110)
Operating profit before changes in working capital	08	46,006,703,127	52,746,046,192
Change in receivables	09	51,777,961	(26,926,194,300)
Change in inventories	10	495,655,177	2,309,094,496
Change in payables and other liabilities	11	3,054,506,998	2,474,953,211
Change in prepaid expenses	12	3,816,049,315	4,302,072,625
		53,424,692,578	34,905,972,224
Corporate income tax paid	15	(9,157,779,056)	(9,187,837,265)
Net cash flows from operating activities	20	44,266,913,522	25,718,134,959
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(3,149,982,389)	(7,666,405,994)
Proceeds from disposals of fixed assets	22	354,590,909	487,532,000
Placements of term deposits at banks	23	(259,000,000,000)	(74,000,000,000)
Withdrawals of term deposits at banks	24	161,000,000,000	54,000,000,000
Receipts of interest	27	8,957,803,427	3,707,929,871
Net cash flows from investing activities	30	(91,837,588,053)	(23,470,944,123)

The accompanying notes are an integral part of these financial statements



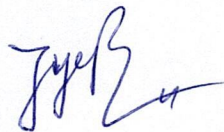
Quang Ninh Mineral Water Corporation
Statement of cash flows for the year ended 31 December 2023
(Indirect method – continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	2023 VND	2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of dividends	36	(9,572,202,000)	(9,574,710,000)
Net cash flows from financing activities	40	(9,572,202,000)	(9,574,710,000)
Net cash flows during the year (50 = 20 + 30 + 40)	50	(57,142,876,531)	(7,327,519,164)
Cash and cash equivalents at beginning of the year	60	110,520,439,675	117,847,958,839
Cash and cash equivalents at end of the year (70 = 50 + 60) (Note 4)	70	53,377,563,144	110,520,439,675

1 March 2024

Prepared by:



Phung Thi Yen
General Accountant

Approved by:



Pham Thi Thu Huong
Chief Accountant



Dam Son
Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023

Form B 09 – DN

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

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

1. Reporting entity

(a) Ownership structure

Quang Ninh Mineral Water Corporation (“the Company”) is a joint stock company incorporated in Vietnam.

(b) Principal activities

The principal activities of the Company are to manufacture and trade non-alcoholic drinks and mineral water; to exploit, process and supply water and to construct other civil technical works.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) The Company’s headcount

As at 31 December 2023, the Company had 181 employees (1/1/2023: 177 employees).

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

3. Significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the average of the account transfer buying rates and selling rates at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Held-to-maturity investments

Held-to-maturity investments are those that the Company's Board of Management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(d) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 25 years
▪ machinery and equipment	3 – 10 years
▪ motor vehicles	4 – 10 years
▪ office equipment	3 – 6 years

(g) Intangible fixed assets

(i) Mineral water exploitation right

Expenditure on obtaining exploitation right of mineral water resources is capitalised and treated as an intangible fixed asset. Amortisation is computed on a straight-line basis over the estimated useful lives of 18 years.



Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(ii) Software

Cost of acquiring a new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over the estimated useful lives of 3 years.

(h) Long-term prepaid expenses

(i) Site clearance costs

Site clearance costs are compensation costs that the Company paid to residents in the land rental area. Site clearance costs are amortised on a straight-line basis over 20 years.

(ii) Goodwill from equitisation

Goodwill arising from the equitisation of the state-owned enterprise is recognised as long-term prepaid expenses. Goodwill arising from the equitisation of the state-owned enterprise includes brand name value and potential development value. Brand name value is determined on the basis of actual costs incurred for creation and protection of trademarks, trade name in the course of the enterprise's operation for the period of 5 years before the valuation date (including establishment costs and expenditures on training, advertising and promotional activities incurred to promote and introduce the enterprise and its products and website costs). Potential development value is evaluated on the basis of profitability of the enterprise in the future taking into account the enterprise's profit ratio and interest rates of 5-year government bonds. Goodwill generated from the equitisation of the state-owned enterprise is amortised on a straight-line basis over 10 years starting from the date of transformation from a state-owned enterprise into a joint stock company (date of first enterprise registration certificate for a joint stock company).

(iii) Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Costs of those assets are amortised on a straight-line basis over a period ranging from 2 years to 3 years.

(i) Accounts payable

Accounts payable to suppliers and other payables are stated at their costs.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

(k) Equity

(i) *Share capital and share premium*

Ordinary shares are classified as equity. Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issuance of shares, net of tax effects. Such costs are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

(ii) *Repurchase and reissue of ordinary shares (treasury shares)*

Before 1 January 2021

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

From 1 January 2021

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the Company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

This change in accounting policy has been applied prospectively from 1 January 2021 due to change in applicable laws and regulations on buying back shares.

(l) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Revenue

(i) Sale of goods

Revenue from sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue from sale of goods is recognised at the net amount after deducting sale discounts stated on the invoice.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

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

(ii) Provision of services

Revenue from provision of services is recognised in the statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(n) Financial income

Financial income comprises interest income from deposits at banks and foreign exchange gains.

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(o) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

(p) Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(q) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company operates in a single business segment that is to manufacture and trade beverage, and one single geographical segment that is Vietnam.

Quang Ninh Mineral Water Corporation
Notes to the financial statements for the year ended 31 December 2023 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
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(r) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or whether the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(s) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operations or cash flows for the prior year.

Comparative information as at 1 January 2023 was derived from the balances and amounts reported in the Company's audited financial statements as at and for the year ended 31 December 2022.

4. Cash and cash equivalents

	31/12/2023	1/1/2023
	VND	VND
Cash at banks	1,377,563,144	1,020,439,675
Cash equivalents	52,000,000,000	109,500,000,000
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Cash and cash equivalents in the statement of cash flows	53,377,563,144	110,520,439,675
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Cash equivalents represented term deposits at banks with original terms to maturity of three months or less from their transaction dates.

5. Held-to-maturity investments

	31/12/2023	1/1/2023
	VND	VND
Short-term deposits at banks	118,000,000,000	20,000,000,000
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Held-to-maturity investments – short-term represented term deposits at banks with remaining terms to maturity of twelve months or less from the end of the annual accounting period.

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Notes to the financial statements for the year ended 31 December 2023 (continued)

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6. Accounts receivable from customers

Accounts receivable from customers who are related parties

	31/12/2023	1/1/2023
	VND	VND
Related parties		
▪ Masan Consumer Corporation	54,943,741,944	54,825,739,012
▪ VinaCafé Bien Hoa Joint Stock Company	9,420,154	-
	54,943,741,944	54,825,739,012

The trade related amounts due from the related parties were unsecured, interest free and are receivable within 90 days from invoice issued date.

7. Inventories

	31/12/2023		1/1/2023	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Raw materials	6,297,687,005	(16,492,474)	6,015,280,031	-
Tools and supplies	1,783,554,187	-	2,613,949,401	-
Finished goods	13,672,633	(13,006,958)	-	-
	8,094,913,825	(29,499,432)	8,629,229,432	-

Movements of the allowance for inventories during the year were as follows:

	2023	2022
	VND	VND
Opening balance	-	19,508,606
Allowance increased during the year	68,159,862	-
Allowance utilised during the year	(38,660,430)	(19,508,606)
	29,499,432	-

Included in inventories of the Company as at 31 December 2023 was VND29 million (1/1/2023: Nil) of slow-moving inventories.

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Notes to the financial statements for the year ended 31 December 2023 (continued)

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8. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	32,671,760,054	38,043,141,884	3,878,217,657	71,297,454	74,664,417,049
Additions during the year	-	67,450,000	-	-	67,450,000
Transfer from construction in progress	-	546,257,895	-	-	546,257,895
Disposals	-	(2,762,360,439)	(877,986,363)	-	(3,640,346,802)
Closing balance	32,671,760,054	35,894,489,340	3,000,231,294	71,297,454	71,637,778,142
Accumulated depreciation					
Opening balance	24,611,488,102	22,617,855,245	3,318,972,132	71,297,454	50,619,612,933
Charge for the year	1,393,840,061	3,272,567,303	154,346,657	-	4,820,754,021
Disposals	-	(2,762,360,439)	(877,986,363)	-	(3,640,346,802)
Closing balance	26,005,328,163	23,128,062,109	2,595,332,426	71,297,454	51,800,020,152
Net book value					
Opening balance	8,060,271,952	15,425,286,639	559,245,525	-	24,044,804,116
Closing balance	6,666,431,891	12,766,427,231	404,898,868	-	19,837,757,990

Included in tangible fixed assets of the Company were assets costing VND31,014 million which were fully depreciated as of 31 December 2023 (1/1/2023: VND31,559 million), but which are still in active use.



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Notes to the financial statements for the year ended 31 December 2023 (continued)

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9. Intangible fixed assets

	Mineral water exploitation right VND	Software VND	Total VND
Cost			
Opening balance	17,564,185,000	1,122,247,798	18,686,432,798
Other decrease	(632,154,000)	-	(632,154,000)
Closing balance	16,932,031,000	1,122,247,798	18,054,278,798
Accumulated amortisation			
Opening balance	11,213,185,000	1,122,247,798	12,335,432,798
Charge for the year	601,547,890	-	601,547,890
Closing balance	11,814,732,890	1,122,247,798	12,936,980,688
Net book value			
Opening balance	6,351,000,000	-	6,351,000,000
Closing balance	5,117,298,110	-	5,117,298,110

Included in intangible fixed assets of the Company were assets costing VND1,293 million which were fully amortised as of 31 December 2023 (1/1/2023: VND1,293 million), but which are still in active use.



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Notes to the financial statements for the year ended 31 December 2023 (continued)

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10. Long-term prepaid expenses

	Site clearance costs VND	Goodwill from equitisation VND	Tools and instruments VND	Total VND
Opening balance	2,414,378,170	9,403,113,463	1,393,616,342	13,211,107,975
Additions during the year	-	-	643,575,357	643,575,357
Transfer from construction in progress	-	-	1,139,738,246	1,139,738,246
Amortisation for the year	(224,593,317)	(3,134,371,153)	(1,253,776,810)	(4,612,741,280)
Closing balance	2,189,784,853	6,268,742,310	1,923,153,135	10,381,680,298

11. Deferred tax assets

	31/12/2023 VND	1/1/2023 VND
Deferred tax assets		
Accrued expenses and provisions	999,885,400	764,949,664
Deferred tax liabilities		
Fixed assets	(191,106,657)	(34,233,834)
Net deferred tax assets	808,778,743	730,715,830

Quang Ninh Mineral Water Corporation

Notes to the financial statements for the year ended 31 December 2023 (continued)

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	1/1/2023 VND	Incurred VND	Paid VND	Deducted/Refunded VND	31/12/2023 VND
Value added tax	328,102,148	22,246,766,980	(9,547,146,289)	(12,646,002,808)	381,720,031
Corporate income tax	2,026,411,665	10,701,611,470	(9,157,779,056)	-	3,570,244,079
Personal income tax	74,720,100	1,767,256,829	(1,361,509,915)	(405,997,011)	74,470,003
Natural resource tax	1,181,884,680	6,673,428,439	(7,416,367,590)	-	438,945,529
Other taxes	4,466,486	1,402,897,912	(1,403,246,889)	-	4,117,509
	3,615,585,079	42,791,961,630	(28,886,049,739)	(13,051,999,819)	4,469,497,151

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13. Accrued expenses

	31/12/2023	1/1/2023
	VND	VND
Bonus and 13 th month salary	7,675,532,134	4,966,769,914
Others	314,368,246	175,326,232
	<hr/>	<hr/>
	7,989,900,380	5,142,096,146
	<hr/>	<hr/>

14. Long-term provisions

Movements of provisions for severance allowance during the year were as follows:

	2023	2022
	VND	VND
Opening balance	5,103,816,000	5,028,707,000
Provision (reversed)/made during the year	(104,389,000)	75,109,000
	<hr/>	<hr/>
Closing balance	4,999,427,000	5,103,816,000
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Notes to the financial statements for the year ended 31 December 2023 (continued)

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15. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Undistributed profits after tax VND	Total VND
Balance as at 1 January 2022	80,000,000,000	176,083,000	(247,200,000)	101,998,473,488	181,927,356,488
Net profit for the year	-	-	-	40,276,850,328	40,276,850,328
Dividends (Note 17)	-	-	-	(9,575,280,000)	(9,575,280,000)
Balance as at 1 January 2023	80,000,000,000	176,083,000	(247,200,000)	132,700,043,816	212,628,926,816
Net profit for the year	-	-	-	42,173,038,290	42,173,038,290
Dividends (Note 17)	-	-	-	(9,575,280,000)	(9,575,280,000)
Balance as at 31 December 2023	80,000,000,000	176,083,000	(247,200,000)	165,297,802,106	245,226,685,106



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Notes to the financial statements for the year ended 31 December 2023 (continued)

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16. Share capital, share premium and treasury shares

The Company's authorised and issued share capital were as follows:

	31/12/2023 and 1/1/2023	
	Number of shares	VND
Authorised and issued share capital		
Ordinary shares	8,000,000	80,000,000,000
Treasury shares	20,600	247,200,000
Shares currently in circulation		
Ordinary shares	7,979,400	79,794,000,000
Share premium		176,083,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. All rights of shares bought back by the Company are suspended until those shares are reissued.

Share premium represented the excess of the proceeds on issuance of shares over their par value.

There were no movements of share capital during the year.

17. Dividends

The Annual General Meeting of Shareholders of the Company on 7 April 2023 resolved to distribute dividends by cash amounting to VND9,575 million (2022: VND9,575 million).

18. Off balance sheet items

(a) Lease commitments

The future minimum lease payments under non-cancellable operating leases were as follows:

	31/12/2023	1/1/2023
	VND	VND
Within one year	1,582,156,920	1,325,496,096
Within two to five years	1,299,245,280	848,601,984
More than five years	1,459,997,202	1,025,614,364
	4,341,399,402	3,199,712,444

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Notes to the financial statements for the year ended 31 December 2023 (continued)

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(b) Capital expenditure commitments

The Company had the following outstanding capital expenditure commitments approved but not provided for in the balance sheet:

	31/12/2023 VND	1/1/2023 VND
Approved but not contracted	279,633,776	5,148,924,936
Approved and contracted	4,634,230,789	4,609,440,877
	4,913,864,565	9,758,365,813

19. Revenue from sale of goods and provision of services

Total revenue represented the gross value of goods sold and services rendered exclusive of value added tax.

	2023 VND	2022 VND
Total revenue		
▪ Sale of goods and services	245,031,897,835	258,880,316,732
Less revenue deductions		
▪ Sales returns	16,051,560	-
	245,015,846,275	258,880,316,732

20. Cost of sales and services provided

	2023 VND	2022 VND
Goods sold and services rendered	183,809,776,108	193,940,755,188
Allowance for inventories	68,159,862	-
	183,877,935,970	193,940,755,188

Quang Ninh Mineral Water Corporation**Notes to the financial statements for the year ended 31 December 2023 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
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	2023 VND	2022 VND
Interest income from deposits at banks	11,825,828,084	3,880,209,323
Foreign exchange gains	85,715,000	32,830,000
	<hr/>	<hr/>
	11,911,543,084	3,913,039,323
	<hr/>	<hr/>

22. General and administration expenses

	2023 VND	2022 VND
Staff costs	11,001,601,452	9,554,712,978
Depreciation of fixed assets	252,338,719	252,338,719
Leased line system and information technology services	174,815,273	180,497,051
Others	4,849,068,619	5,155,386,988
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	16,277,824,063	15,142,935,736
	<hr/>	<hr/>

23. Production and business costs by elements

	2023 VND	2022 VND
Raw material costs included in production costs	135,930,722,669	146,766,102,364
Staff costs	41,765,260,349	37,591,174,131
Depreciation and amortisation	5,422,301,911	6,227,075,673
Outside services	14,050,260,309	14,167,572,564
Others	7,271,932,015	7,669,797,377
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24. Income tax

(a) Recognised in the statement of income

	2023	2022
	VND	VND
Current tax expense		
Current year	10,701,611,470	10,037,869,221
Under provision in prior years	-	301,799,728
	10,701,611,470	10,339,668,949
Deferred tax (benefit)/expense		
Origination and reversal of temporary differences	(78,062,913)	193,992,352
	10,623,548,557	10,533,661,301

(b) Reconciliation of effective tax rate

	2023	2022
	VND	VND
Accounting profit before tax	52,796,586,847	50,810,511,629
Tax at the Company's tax rate	10,559,317,369	10,162,102,326
Non-deductible expenses	64,231,188	69,759,247
Under provision in prior years	-	301,799,728
	10,623,548,557	10,533,661,301

(c) Applicable tax rates

The Company has an obligation to pay corporate income tax to the government at usual corporate income tax rate of 20% of taxable profits.

(d) Tax contingencies

The taxation laws and their application in Vietnam are subject to interpretation and change over time as well as from one tax office to another. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Vietnam that are substantially more significant than in other countries. The Board of Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation, including transfer pricing regulations and computation of corporate income tax. However, the relevant authorities may have different interpretations and the effects could be significant.



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25. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2023 was based on the net profit attributable to ordinary shareholders of the Company after deducting the amounts appropriated to bonus and welfare funds for the year of VND42,173,038,290 (2022: VND40,276,850,328) and a weighted average number of ordinary shares in circulation during the year of 7,979,400 shares (2022: 7,979,400 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	2023 VND	2022 VND
Net profit attributable to ordinary shareholders	42,173,038,290	40,276,850,328

(ii) Weighted average number of ordinary shares

	2023 Shares	2022 Shares
Weighted average number of ordinary shares in circulation during the year	7,979,400	7,979,400

(iii) Basic earnings per share

	2023 VND	2022 VND
Basic earnings per share	5,285	5,048

(b) Diluted earnings per share

As at 31 December 2023 and 1 January 2023, the Company did not have any potential ordinary shares. Therefore, the presentation of diluted earnings per share is not applicable.

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26. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with its related parties during the year:

	Transaction value	
	2023	2022
	VND	VND
<i>Parent of parent company</i>		
Masan Consumer Corporation		
Sale of goods and services	244,886,322,986	258,746,205,469
Purchase of goods	86,863,312	87,123,215
<i>Parent company</i>		
Masan Beverage Company Limited		
Dividends	6,304,920,000	6,304,920,000
<i>Other related parties</i>		
Vinh Hao Mineral Water Corporation		
Purchase of goods and services	1,536,523,232	-
WinCommerce General Commercial Services		
Joint Stock Company		
Purchase of goods	55,537,392	-
Mobicast Joint Stock Company		
Purchase of services	43,982,255	41,973,391
VinaCafé Bien Hoa Joint Stock Company		
Sale of goods	8,563,776	-
Masan Brewery Distribution One Member Company		
Limited		
Purchase of goods	-	96,354,545
<i>Key management personnel</i>		
Remunerations	4,093,961,662	3,729,959,952

As at 31 December 2023 and 1 January 2023, the Company had current and term deposit accounts at Vietnam Technological and Commercial Joint Stock Bank, a related party, at normal commercial term.

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Included in the remuneration to key management personnel, the actual board fees, salary and bonus for each member of the Company’s Board of Directors, Audit Committee and Chief Executive Officer were as follows:

Name	Position	2023 VND	2022 VND
Board of Directors			
Mr Nguyen Thieu Nam	Chairman	-	-
Mr Dam Son	Member	-	-
Mr Tran Phuong Bac	Member	-	-
Mr Tran Tuan Cuong	Member	-	-
Mr Huynh Viet Thang	Member	-	-
Mr Duong Manh Cuong (from 7 April 2023)	Member	180,000,000	-
Mr Nguyen Chi Thanh (until 7 April 2023)	Member	60,000,000	240,000,000
Audit Committee			
Mr. Huynh Viet Thang	Chairman	-	-
Mr. Duong Manh Cuong (from 7 April 2023)	Member	-	-
Mr. Nguyen Chi Thanh (until 7 April 2023)	Member	-	-
Board of Management			
Mr Dam Son	Chief Executive Officer	1,987,298,940	2,181,767,544

27. Post balance sheet events

There have been no significant events occurred after the balance sheet date which would require adjustments or disclosures to be made in these financial statements.

1 March 2024

Prepared by:



Phung Thi Yen
General Accountant

Approved by:



Pham Thi Thu Huong
Chief Accountant



Dam Son
Chief Executive Officer

