



AN PHAT
BIOPLASTICS



CREATIVITY INNOVATION

2023 ANNUAL REPORT



The year 2023 witnessed the strong rise of An Phat Bioplastics JSC from the COVID-19 pandemic. We have not only maintained our position as the leading mono-layer packaging exporter in Vietnam but also continued to enhance our positive impact on all stakeholders. The trust of our shareholders, customers, and partners throughout the past year has strengthened our resolve to persist on the journey of creating sustainable values.

In the coming year, potential risks from the business environment will still be present and may negatively impact Vietnam's economic growth prospects. However, we do not allow ourselves to rest or falter in the face of difficulties. Rising above all, employees of An Phat are determined to seize opportunities and challenges alike, continuously "CREATIVITY - INNOVATION", and steadily advance forward.

CREATIVITY
INNOVATION



ABBREVIATIONS

APH	An Phat Holdings Joint Stock Company
AAA	An Phat Bioplastics Joint Stock Company
APC	An Phat High -Technology Industrial Park Joint Stock Company (“An Phat Complex Company”)
AP1	An Phat High -Tech Industrial Park No.1 Joint Stock Company (“An Phat No.1 Company”)
AGM	Annual Shareholders’ Meeting
BOD	Board of Directors
BOM	Board of Management
BOS	Board of Supervisors
CPI	Consumers Price Index
Dept	Department
EGM	Extraordinary Shareholders’ Meeting
FDI	Foreign Direct Investment
GDP	Gross Domestic Product

GSM	General Shareholders’ Meeting
HSX/HOSE	Ho Chi Minh Stock Exchange
HNX	Hanoi Stock Exchange
HII	An Tien Industries Joint Stock Company
IFC	International Finance Corporation
IP	Industrial Park
KPI	Key Performance Indicators
JSC	Joint Stock Company
LTD	Limited Company
QA	Quality Assurance
QC	Quality Control
OHS	Occupational Health and Safety
SSC	State Securities Commission of Vietnam
VND	Vietnamdong
YoY/yoy	year on year

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GENERAL INFORMATION

Company's name	Company's name	AN PHAT BIOPLASTICS JOINT STOCK COMPANY
	Abbreviations	An Phat Bioplastics., JSC
	Enterprise registration certificate	0800373586 issued by the Department of Planning and Investment of Hai Duong Province, amended for the 36th time on 10th April 2023.
	Charter Capital	VND 3,822,744,960,000
	Head Quarter	Lot CN11 + CN12, An Dong Industrial Park, Nam Sach Town, Nam Sach District, Hai Duong Province
	Ticker	AAA
Contact	Phone	+84 2203.755.998
	Fax	+84 2203.755.113
	Website	www.anphatbioplastics.com



VISION

To become the leading manufacturer of high technology and environmentally friendly plastic packaging in Southeast Asia.



MISSION

To promote and support the growth of enterprises in Vietnam plastic industry, fortify the position of high technology and environmentally friendly plastics of Vietnam.



CORE VALUES

-  CREATIVITY- INNOVATION
-  SOLIDARITY - DISCIPLINE
-  HUMANITY - SHARING
-  EFFICIENCY - SUSTAINABILITY

MESSAGE OF THE CHAIRMAN

Dear Valued Shareholders and other Stakeholders,

On behalf of the Board of Directors and all employees of An Phat Bioplastics JSC, I would like to extend our profound gratitude to our valued customers and partners, shareholders, and investors who have trusted, supported, and journeyed with us throughout this period. Your immense trust and support have been a significant source of motivation for An Phat Bioplastics to overcome the challenges of 2023. Together, we have achieved new successes, solidifying our position amidst "significant turbulence".

Steadfastly overcoming significant turbulence

In 2023, Vietnam witnessed a decline in GDP growth, trade, and investment, coupled with high inflation, political instability, supply chain disruptions, extreme weather events, and the ongoing pandemic. These challenges had a significant impact on Vietnam's economy. The GDP growth rate for 2023 was recorded at 5.05%, lower than 8.12% in 2022 and below the target of 6.5%. Despite this bleak backdrop, the plastics industry in Vietnam in general, and specifically An Phat Bioplastics, managed to overcome obstacles, seizing opportunities amidst myriad challenges to shine.

The proof of these enduring efforts is evident in the achievements in 2023 of the Company as follows: Consolidated revenue marked 12,622 billion VND surpassing the plan by 1%, and after-tax profit reached 309 billion VND marking a 164% increase compared to 2022. These impressive growths were driven by a resurgence in both manufacturing and trading segments, attributed to effective changes in inventory policies, sales strategies, and stable resin prices throughout the year.

It can be affirmed that we had a fairly successful year in 2023. An Phat Bioplastics maintained its position as the largest exporter of packaging in Vietnam. Our packaging products have been successfully penetrating many of the world's largest and most demanding markets such as Europe, Japan, and the United States. Beyond investments in production facilities, we have also devoted significant effort to research

and innovation, aiming to sustain and create sustainable competitive advantages on the global stage. Furthermore, with our belief that human resources are the foundation of our enterprise, we have never neglected management and the development of our workforce. We always strive to provide the best working environment and welfare for our employees, making the company their second home. Simultaneously, we focus on building and developing a stable, high-quality workforce, aiming to achieve more remarkable accomplishments together.

Leading innovation, accelerating creativity

The year 2024 is forecasted to remain full of challenges, with many uncertainties and risks threatening the development of economies, including Vietnam's. However, with our internal strength and the successes of the past year, we confidently step into the year 2024 with 200% enthusiasm and determination to achieve our set goals.

In the spirit of "Leading innovation, accelerating creativity", we have set our business plan for 2024, aiming for a revenue target of 12,000 billion VND and an after-tax profit of 377 billion VND, equivalent to a 22% increase over the realized profit of 2023. We will concentrate our resources on three main growth drivers: expansions in packaging and additive resin sectors by increasing sales volume coupled with higher contribution of industrial packaging and biodegradable packaging with high profitability margins, optimizing our product portfolio and existing markets; ensuring timely delivery at An Phat No.1 Industrial Park ; maintaining the effectiveness of the resin trading segment and optimizing operational, managerial, and sales costs.

Furthermore, in the context where sustainable growth has become an irreversible global trend, as a responsible manufacturer, the Company is steadfast and will persistently pursue sustainable development goals. Our green transformation strategy focuses on three key pillars: green materials, green products, and green industrial parks. With clear and consistent objectives, we aspire to collaborate with the community in building a green planet and contributing enduring values to society.



Once again, on behalf of the Board of Directors, I sincerely thank our shareholders for their trust and support, our customers and partners for their positive collaboration. Special thanks go to all the employees of the Company, whose dedicated efforts have been pivotal in our journey so far. All of this forms a solid foundation for our company to steadfastly overcome major challenges and achieve even greater successes in the future.

I wish you all good health and sincere gratitude.



Kindly regards,

Chairman of Board of Directors

NGUYEN LE THANG LONG



MESSAGE OF THE GENERAL DIRECTOR

Dear Valued Shareholders, Customers and Partners,

As with other businesses, An Phat Bioplastics JSC also faced numerous challenges in 2023, but this did not deter us on our development journey. With the passionate spirit and great determination of all employees in the Company, together, we stand up and shine.

2023 – Overcoming challenges, embracing successes

In the past year, thanks to prompt and effective steps to adapt to the unpredictable fluctuations of the global market, the Company achieved consolidated revenue of 12,622 billion VND, surpassing our target by 1% and showing a 17% decrease compared to 2022's. The slight revenue decline was due to lower resin prices compared to the previous year, which led to lower resin trading sales. Profit after tax reached 309 billion VND, marking a 164% increase from 2022's and achieving 62% of the target.

Also, the company continued to affirm its position as the leading manufacturer and exporter of high-quality mono-layer packaging in Southeast Asia. Thanks to promptly responding to the needs of major markets, the sales volume of packaging and plastic resin additives increased by 7% and 42%, respectively, compared to 2022's. In the industrial park segment, we are gradually asserting our position through two large projects in Hai Duong province: An Phat Complex IP and An Phat No. 1 IP.

In face of the gloomy picture of the global economy and difficulties from the plastic industry thanks to the righteous business strategy, the strong participation of the Board of Management, and the efforts of thousands of employees, the

Company had a successful business year. This will be a solid foundation for us to complete the target plans set out in 2024.

Creativity - Innovation, ready to accelerate

In 2024, while the global economy in general and Vietnam's in particular are likely to witness various difficulties, we are ready to overcome challenges, with the highest determination. Taking innovation and creativity as key drivers, in 2024, the Company will continue to put effort into researching and developing new products, pioneering the application of modern technologies, and constantly improving production efficiency to enhance competitive advantage in the market and bring products of the highest value to customers.

In 2024, the Board of Management hopes to create outstanding growth in business performance. We set a target of 12,000 billion VND in revenue and 377 billion VND in profit after tax, equivalent to a 22% increase in realized profits by 2023. These numbers are based on our thorough assessments of the overall picture of the economy as well as the prospects of the world's and Vietnam's plastic industry.

The demand for traditional plastic packaging is forecasted to grow steadily by 4 - 5% per annum in the coming period. In addition, as the community has increased environmental awareness and many economies including Vietnam have and will move towards completely banning single-use plastic products, the sales of AnEco compostable products are expected to grow in both domestic and foreign markets. In addition, taking advantage of the wave of foreign investment pouring into Vietnam, we will conduct research and evaluate potential projects to expand the industrial park land bank.

Besides economic goals, we will also focus on improving corporate governance capacity and

human resources management in a streamlined but still effective manner. In particular, we will promote training programs, prepare future leaders, and be ready for the Company's development plans.

On the next journey, difficulties and challenges are certainly inevitable, but I believe, that with the unity and persistency that are deeply ingrained in every An Phat employee, the support and trust of customers and shareholders, we will always be steadfast to conquering new challenges.

“ Once again, on behalf of the Board of Management, I would like to sincerely thank the shareholders, investors, partners, customers, and employees who accompany An Phat in the journey to creating values for the community. ”

Kindly regards,
General Director
NGUYEN LE TRUNG



CORPORATE MILESTONES



- 2002** • Establish Anh Hai Duy Co., Ltd - known as the precursor of AAA with 02 employees, authorized capital of VND 500 million.
- 2005** • The first mono-layer packaging factory was built in 2004 and came into operation in Nam Sach Industrial Zone, Hai Duong with the production capacity of 13,200 tons per annum.
 - Factory No.2 was built in An Dong Industrial Zone with the production capacity of 9,600 tons per annum.
- 2007** • An Phat Plastic and Packaging JSC was established with the head office was located at An Dong Industrial Zone, Nam Sach town, Hai Duong Province.
- 2009** • An Phat Plastic and Packaging JSC was renamed to An Phat Plastic and Green Environment JSC.
 - Factory No.3 came into operation, raising total production capacity to 36,000 tons per annum.
 - An Phat Plastic and Green Environment JSC invested in the subsidiary, An Phat Yen Bai Mineral and Plastic JSC with key business activities including exploiting stone mines, manufacturing and distributing raw materials for plastic industry.
- 2010** • Charter capital increased to VND 99 billion and the Company was listed on Hanoi Stock Exchange (Ticker: AAA).
- 2013** • Production capacity significantly improved thanks to the contribution of Factory No.5 for Japan market. Packaging capacity reached 57,000 tons per annum.
 - Export markets expanded sharply.
- 2016** • The Company was listed on Ho Chi Minh Stock Exchange (HSX: AAA).
 - Charter capital reached VND 570 billion.
- 2017** • Factory No.6 for Japan market and Factory No.7 for US market came into operation, raising production capacity to 96,000 tons per annum.
 - Charter capital increased to VND 836 billion.
 - The subsidiary, An Phat Yen Bai Plastic and Mineral JSC, was listed on HSX with ticker HII.
 - AAA was awarded Top 500 largest companies in Vietnam (VNR500), Top 500 fastest growth companies (FAST 500) và Top 50 Vietnam Best Growth.

- 2018** • Charter capital reached VND 1,712 billion.
 - Expand into industrial real estates via its wholly-owned subsidiary, An Phat High Tech Industrial Park Ltd.,
 - The subsidiary, An Phat Yen Bai Plastic and Mineral JSC, was renamed to An Tien Industries JSC, its charter capital increased to VND 278.5 billion.
 - Launch environmentally friendly packaging products in Vietnam with brand ANECO.
- 2019** • An Phat Plastic and Green Environment JSC changed its name to An Phat Bioplastics JSC, asserted the goal to become a “green” manufacturer.
 - An Phat Complex IP reached occupation rate of 70%.
- 2020** • Expand into industrial packaging through the acquisition of An Vinh Plastics Packaging JSC. Packaging production capacity was enhanced to 120,000 tons/year.
 - AAA was awarded “Top 10 listed mid-cap companies with best Annual Report”.
 - AAA was awarded “Excellent emulation flag” by the Prime Minister.
 - Charter capital reached VND 2,217,599,740.
- 2021** • Charter capital increased to 3,264,344,960,000 VND.
 - An Phat 1 IP was granted Investment Certificate.
 - ANECO Brand successfully registered trademark in the US, officially available on Amazon.
- 2022** • Charter capital increased to 3,822,744,960,000 VND
 - ANECO products were first honored at Vietnam National Brand
 - 4th time participating in the list of prestigious exporter by the Ministry of Industry and Trade.
- 2023** • An Phat Bioplastics JSC excellently won 2 awards at Listed Enterprise Voting Award Ceremony of the Year 2023.
 - ANECO is honored to be the brand winning the “The Polaris - Seller of the year” category in 2023 awarded by Amazon Global Selling Vietnam.
 - Enhancing sustainable development cooperation with partners in the United States in packaging, bioplastics, and logistics through investment promotion programs to realize the goal of building a strong brand in the U.S. and expanding global markets.

BUSINESS LINES AND MARKET PRESENCE



01 Manufacturing mono-layer packaging and industrial packaging

With 8 factories, packaging output reaches 120,000 tons per year, including mono-layer packaging (traditional and bio-degradable) and industrial packaging (jumbo bags, sling bags, PP bags).



02 Manufacturing and trading material for plastic industries

Manufacture resin additives and fillers; trading resins and other chemicals.



03 Providing logistics services

Providing comprehensive logistics solutions including international forwarding, customs services, logistics and warehousing



04 Industrial zone real estate business

Leasing factories and sub-leasing industrial land, developing industrial infrastructure and provide amenity services in industrial parks.



Factories
Hai Duong, Yen Bai



Representative office
Ha Noi, Ho Chi Minh, Singapore, Texas (USA)



70+
70+ countries

FINANCIAL HIGHLIGHTS 2019 - 2023

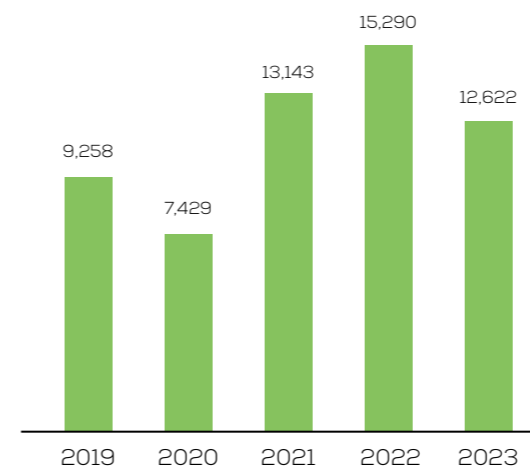
11.583 VND billion
TOTAL ASSETS

12.622 VND billion
NET SALES

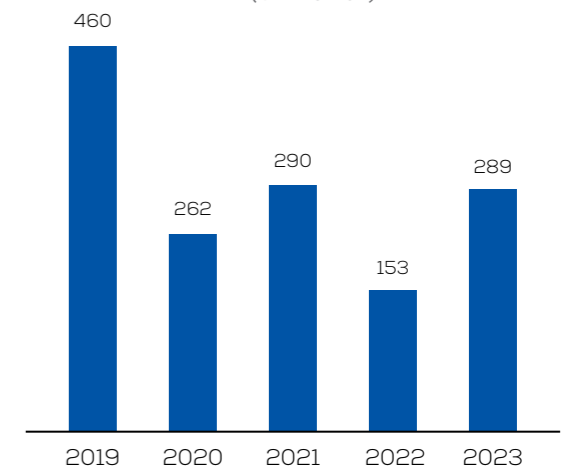
289 VND billion
NET PROFIT ATTRIBUTED TO SHAREHOLDERS OF THE PARENT COMPANY

(According to the audited 2023 consolidated financial statements)

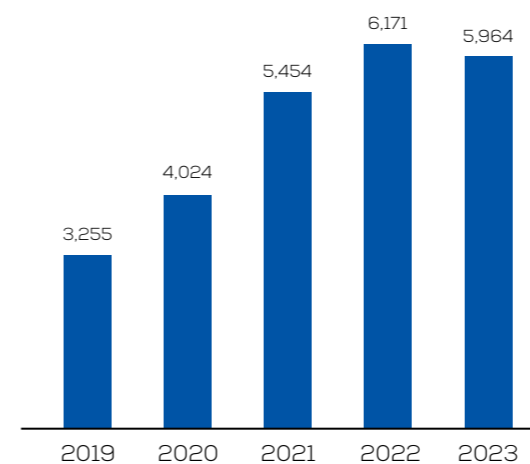
CONSOLIDATED NET REVENUE
(VND billion)



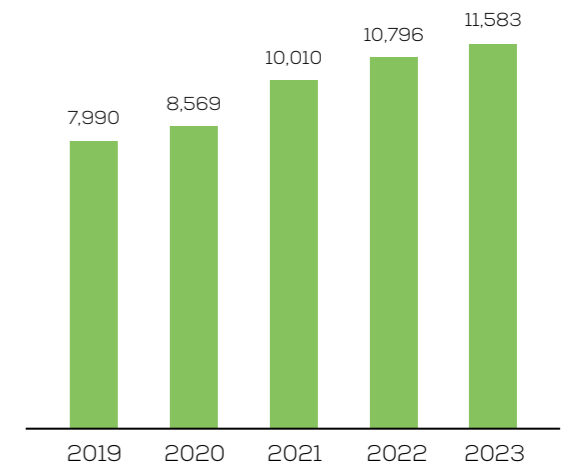
NET PROFIT ATTRIBUTED TO PARENT COMPANY'S SHAREHOLDERS
(VND billion)



OWNERS' EQUITY
(VND billion)



TOTAL ASSETS
(VND billion)



2023 HIGHLIGHTS

AN PHAT NO.1 INDUSTRIAL PARK HAS ATTRACTED 18 INVESTMENT PROJECTS



In 2023, An Phat No.1 Industrial Park has become an investment highlight in Hai Duong, attracting 18 projects with total investments of more than 500 million USD, typically: Biel Crystal Technology Manufacturing Co., Ltd. (260 million USD), ATR Manufacturing Co., Ltd. (21 million USD), Credible Co., Ltd. (20 million USD), Hengdian Group Dmegc Magnetics Co., Ltd. (15.3 million USD), and Sumida Vietnam Electronics Co., Ltd. (15 million USD). The Company has been continuously improving its reputation and position in the industrial real estate market in Hai Duong province, thereby becoming a reliable partner to investors and opening up new investment opportunities for domestic and foreign businesses.

AN PHAT BIOPLASTICS EXCELLENTLY WON 2 AWARDS AT VIETNAM LISTED COMPANY AWARD OF THE YEAR 2023



After nearly 6 months of voting, surpassing nearly 600 companies listed on both stock exchanges, and passing the rigorous appraisal round of the organizing committee, An Phat Bioplastics Joint Stock Company (Ticker: AAA) was excellent winning 02 awards in 02 categories: Top 20 best annual reports for non-financial industry group and Top 10 best corporate governance enterprises for medium capitalization group at the 2023 Vietnam Listed Company Award.

THE POLARIS - SELLER OF THE YEAR 2023 BY AMAZON GLOBAL SELLING VIETNAM HONORS ANECO



ANECO is honored to be the brand winning "The Polaris - Seller of the Year" award for 2023 presented by Amazon Global Selling Vietnam. This prestigious award was bestowed during the "Amazon Vip Night" to celebrate outstanding Vietnamese sellers who demonstrated the most remarkable performance on the Amazon e-commerce platform in 2023. The award recognizes ANECO's efforts and serves as encouragement for further development in the coming years. In 2024, ANECO plans to introduce new products of biodegradable products, continuing its cross-border e-commerce journey.

12 YEARS CONQUERING THE UNITED STATE'S MARKET



Since 2012, the United States has been a key market for the Company with main products including packaging products, and biodegradable materials. Over a decade on the US market, An Phat Bioplastics has made significant strides there. In 2021, the AnEco brand was trademarked, enabling its products to be listed on the Amazon e-commerce platform in the US. Shortly thereafter, AnEco quickly became a top-selling product under 'Amazon's Choice', achieving nearly 27-fold revenue growth in just three years after its launch. Currently, our two subsidiary companies are located in the US. Apart from being an important export market for packaging, the US also serves as a destination for investment promotion programs to expand customer base in other sectors namely industrial real estate and resin trading.

AN TIEN INDUSTRIES JSC AWARDED THE THIRD - CLASS LABOR MEDAL

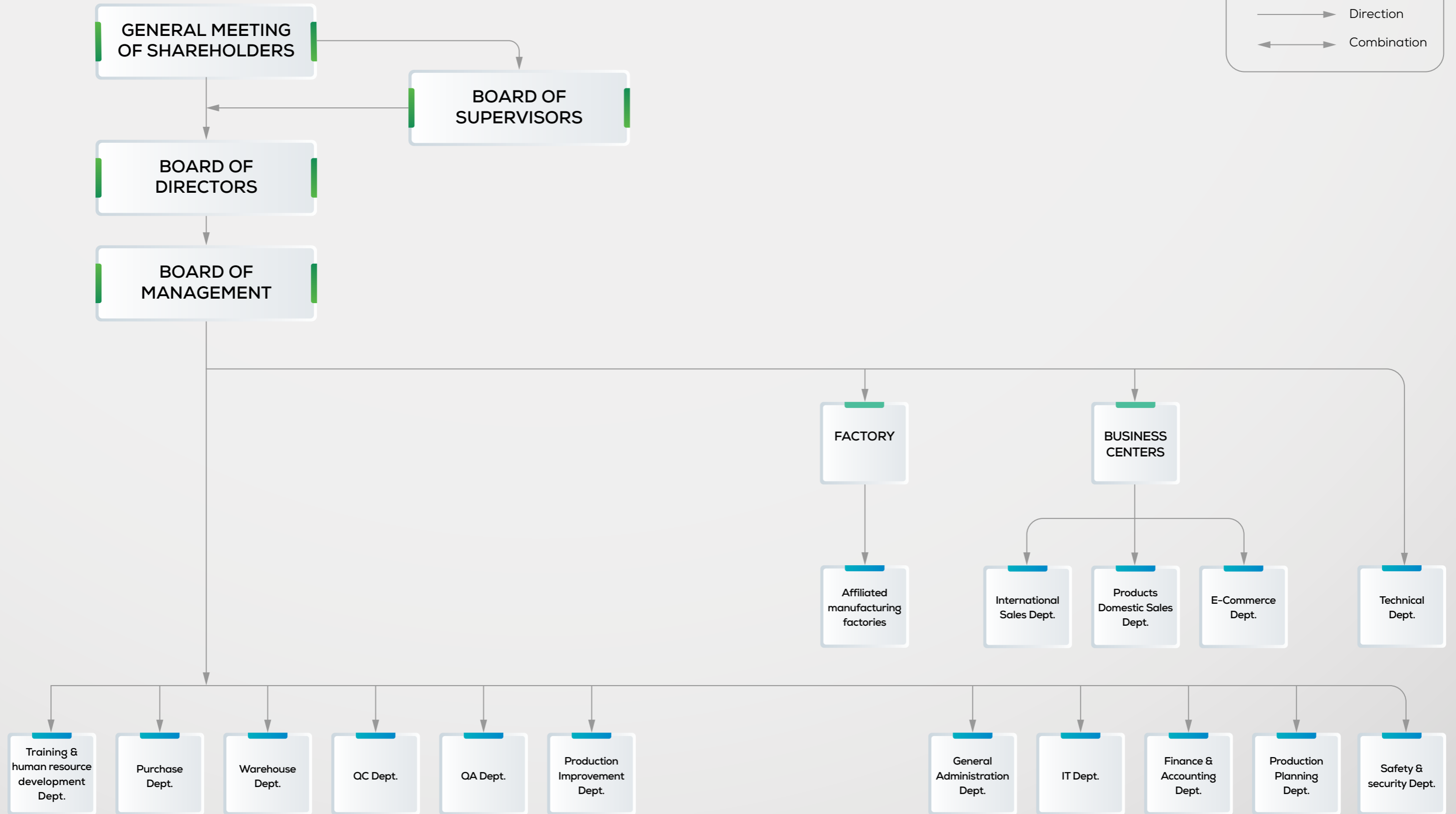


An Tien Industries Joint Stock Company (Ticker: HII), a subsidiary of An Phat Bioplastics, proudly received the Third-Class Labor Medal from the President of Vietnam. An Tien Industries is also the only enterprise in Yen Bai province to be honored with the Third - Class Labor Medal for its outstanding achievements from 2017 to 2021, greatly contributing to the development of the locality and the country.



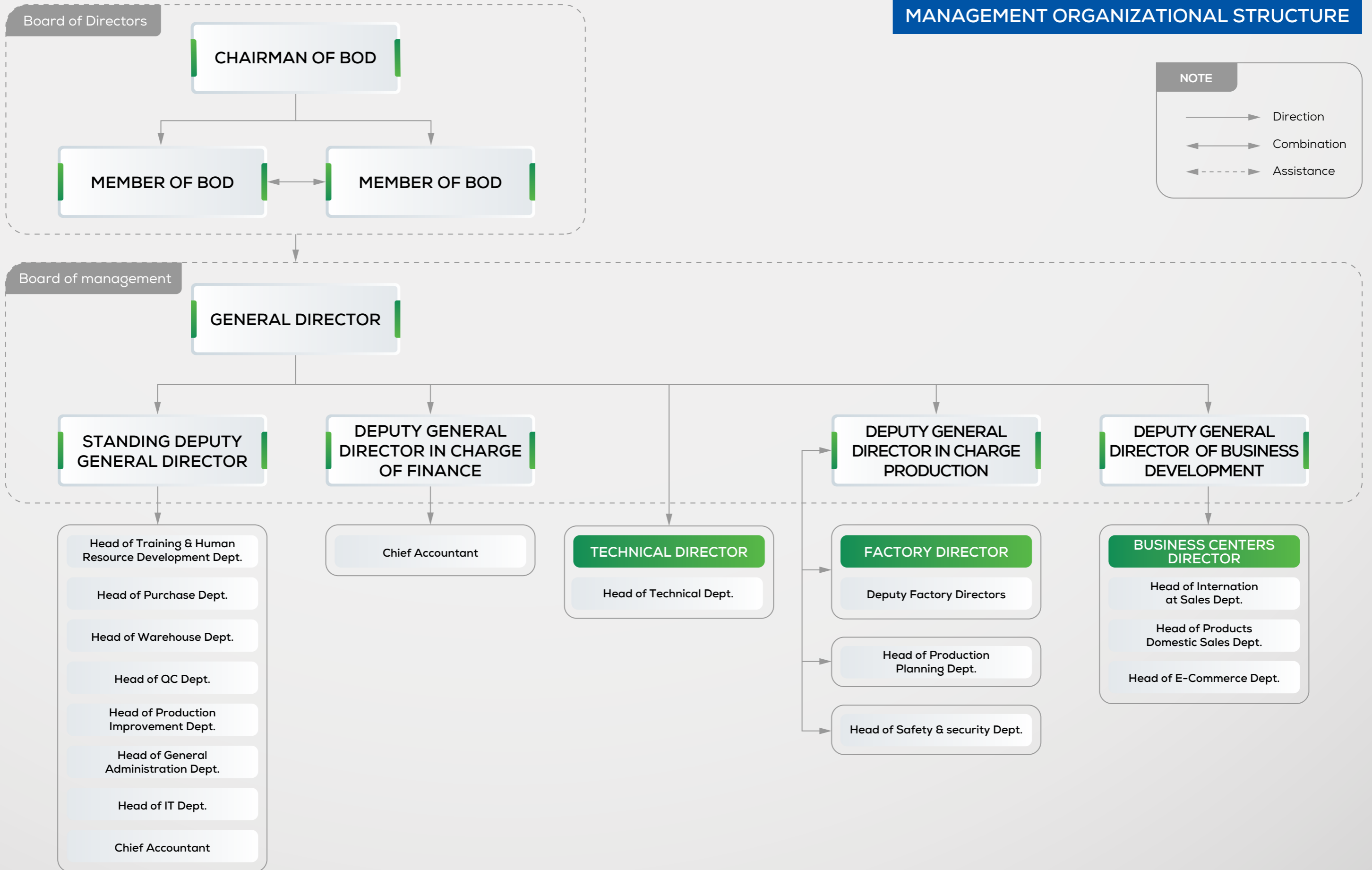
ORGANIZATION STRUCTURE

GENERAL ORGANIZATIONAL STRUCTURE



NOTE

→ Direction
 ← Combination



SUBSIDIARIES

An Tien Industries Joint Stock Company

Southern industrial park, Van Tien commune, Yen Bai city, Yen Bai province

Charter capital (VND billion): 736,63

Equity interest (%): 54,85

Voting rights (%): 54,85

Business activities: Manufacturing plastic products, additives and stone powder.

An Phat High-tech Industrial Park Joint Stock Company

An Phat Complex Industrial Park, km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province.

Charter capital (VND billion): 1008,22

Equity interest (%): 93,04

Voting rights (%): 93,04

Business activities: Industrial Park infrastructure development.

An Thanh Bicol Joint Stock Company

An Phat Complex Industrial Park, km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province

Charter capital (VND billion): 318,8

Equity interest (%): 76,66

Voting rights (%): 99,69

Business activities: Plastic PP, PE, PS, PVS, ABS... resins wholesale.

An Phat International Inc

USA

Charter capital (VND billion): 19.850.200 USD

Equity interest (%): 99,999

Voting rights (%): 99,999

Business activities: Investing, trading low density films and other plastic products.

An Tin Inter - Transport Joint Stock Company

No. 294 Dien Bien Phu Street, Binh Han Ward, Hai Duong City, Hai Duong Province

Charter capital (VND billion): 100

Equity interest (%): 54,31

Voting rights (%): 99

Business activities: Transporting goods by road and providing logistics services

An Thanh Bicol Singapore PTE. Ltd

No 8, Temasek Boulevard # 44-00 Suntec Tower Three, Singapore

Charter capital (VND billion): 100 Singapore dollars & 667675 US dollars

Equity interest (%): 54,85

Voting rights (%): 100

Business activities: Plastic resin trading

An Phat High-tech Industrial Park No.1 Joint Stock Company

An Phat Complex Industrial Park, km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province

Charter capital (VND billion): 375

Equity interest (%): 94,7

Voting rights (%): 99,99

Business activities: Trading of real estate and land use rights of owner, user or leased.

An Vinh Packaging Joint Stock Company

An Phat Complex Industrial Park, km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province

Charter capital (VND billion): 430

Equity interest (%): 99,95

Voting rights (%): 99,95

Business activities: Manufacturing industrial packaging: jumbo bags, sling bags, PP bags.

Ankor Bioplastics Co., Ltd

216, Munmakgongdan-gil, Munmak-eup, Wonju-si, Gangwon-do, Republic of Korea (26362)

Charter capital (VND billion): 1.836.730.000 Won

Equity interest (%): 20,26

Voting rights (%): 51

Business activities: Producing products from plastic and degradable plastic.

AFC Ecoplastics LLC

USA

Charter capital (VND billion): 1.200.000 USD

Equity interest (%): 75

Voting rights (%): 75

Business activities: Plastic resin trading.

AFFILIATES

Hanoi Plastics Joint Stock Company

Group 12, Phuc Loi Ward, Long Bien District, Hanoi

Charter capital (VND billion): 728,8

Equity interest (%): 47,44

Voting rights (%): 47,44

Business activities: Manufacturing, trading industrial plastic parts, electric and molds

Vinh Plastic and Bags Joint Stock Company

No. 18 Phong Dinh Port, Vinh, Nghe An

Charter capital (VND billion): 75

Equity interest (%): 34,84

Voting rights (%): 34,84

Business activities: Producing, trading cement packaging, PP, PE packaging and plastic products, printing packaging

PBAT An Phat Joint Stock Company

Lot CN5-04 Non-tariff zone and Nam Dinh Vu - Cat Hai Industrial Park, Dong Hai 2 ward, Hai An district, Hai Phong, VietNam

Charter capital (VND billion): 296

Equity interest (%): 39,72

Voting rights (%): 55

Business activities: Producing products from plastic and synthetic rubber in primary forms.

Nam Viet Software Services and Solutions Joint Stock Company

BT4 Lot E9 Vimexco, Pham Hung Street, Trung Hoa Ward, Cau Giay District, Hanoi City, Vietnam

Charter capital (VND billion): 30

Equity interest (%): 49

Voting rights (%): 49

Business activities: Producing software

THE BOD, THE BOM AND THE BOS (As of 19 April 2024)

Changes in Board of Directors from 1 January 2023 to now:

- May 2023: -Dismissal of Mr. Dinh Xuan Cuong from the position of Member of the Board of Directors due to his resignation
- Election of Ms. Hoa Thi Thu Ha as a Member of the Board of Directors.



MR. NGUYEN LE THANG LONG
Chairman of the Board
Doctor of Materials Science
 Born in 1984

From November 2013 to November 2016: Production Development Specialist at Mobidiag France

From November 2017 to August 2018: Deputy Head of Research and Development Center of An Phat Holdings JSC

From August 2018 to August 2019: Deputy Head of Research and Development Division of An Phat Holdings JSC

From September 2019 to January 2021: Head of Research and Development Division at An Phat Holdings JSC

From November 2018 to March 2020: Member of the BOD of Hanoi Plastics JSC

From November 2019 to January 2023: Member of the BOD of Ankor Bioplastics Co., Ltd Bioplastics. From January 2023 to now: Chairman of the BOD of Ankor Bioplastics Co., Ltd

From January 2020 to now: Chairman of the BOD of AnBio JSC

From February 2022 to now: General Director of AnBio JSC

From January 2021 to January 2023: Member of the BOD cum General Director of PBAT An Phat JSC

From January 2023 to February 2024: Chairman of the BOD cum General Director of PBAT An Phat JSC

From February 2024 to now: Chairman of the BOD PBAT An Phat JSC

From January 2021 to now: Deputy CEO of An Phat Holdings JSC

From January 2021 to now: Member of BOD of An Phat Holdings JSC

From June 2021 to June 2022: Standing Vice Chairman of the BOD of An Phat Bioplastics JSC

From June 2022 to now: Chairman of BOD of An Phat Bioplastics JSC



MR. PHAN TRI NGHIA
Independent Member of the Board
Bachelor of Economics
 Born in 1974

From September 1998 to January 2002: Assistant to Labor Organization Department of Vinh Plastic and Bags JSC (under Economic Cooperation Corporation).

From January 2002 to January 2004: Head of Salary Norm Organization Committee - Member of BOD of Vinh Plastic and Bags JSC.

From January 2004 to January 2008: Deputy Head of Labor Organization Department - Member of BOD of Vinh Plastic and Bags JSC.

From January 2008 to July 2008: Deputy Head of Labor Organization Department, Chairman of Vinh Plastic and Bags JSC.

From July 2008 to March 2020: General Director of Industrial Rubber JSC (Laos)

From July 2008 to March 2020: Chairman of Vinh Plastic and Bags JSC

From May 2020 to now: Chairmain, General Director of song La Xanh Packaging JSC

From May 2020 to now: Chairman of East Asia Mineral JSC

From May 2020 to now: Chairman of Asia Plastics Industry JSC

From June 2022 to now: Member of BOD of An Phat Bioplastics JSC



MS. HOA THI THU HA
Member of the BOD, Deputy General Director in charge of Finance & Accounting
Bachelor of Economics
 Born in 1978

From 2000 to 2002: Accountant at Khang Vinh Co., Ltd

From 2003 to 2005: Accountant at Hung Viet Co., Ltd

From 2005 to March 2007: Accountant at Anh Hai Duy Co., Ltd (the precursor of An Phat Bioplastics JSC)

From March 2007 to 2009: Head of Accounting of AnPhat Plastic and Packing JSC (now known as An Phat Bioplastics JSC)

From 2010 to March 2018: Chief accountant of AnPhat Plastic and Packing JSC (now known as An Phat Bioplastics JSC)

From 2010 to June 2022: Member of BOD of An Phat Bioplastics JSC

From March 2018 to now: Deputy General Director of An Phat Bioplastics JSC

From June 2020 to now: Member of BOD of Hanoi Plastics JSC

From January 2023 to now: Deputy General Director of An Phat Holdings JSC

From May 2023 to now: Member of BOD of An Phat Bioplastics JSC



MS. NGUYEN THI TIEN
Member of the BOD
Master degree in Economic Management, Lawyer
 Born in 1985

From July 2007 to July 2008: Administrative officer at An Phat Plastic and Packing JSC (now known as An Phat Bioplastics JSC)

From August 2008 to August 2009: Head of HR Department of An Phat Plastic and Packing JSC (now known as An Phat Bioplastics JSC);

From September 2009 to September 2010: Secretary of An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From October 2010 to December 2017: Head of Secretariat of An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC);

From January 2018 to May 2019: Deputy Chief of BOD Office of An Phat Holdings JSC;

From May 2019 to February 2023: Member of BOD, Deputy CEO in charge of internal affairs of An Phat Holdings JSC;

From January 2023: Permanent Deputy CEO of An Phat Holdings JSC

From May 2019 to February 2023: Member of BOD of An Phat Holdings JSC

From February 2023 to now : Vice Chairman BOD of An Phat Holdings JSC

From February 2021 to now : Member of BOD An Phat Bioplastics JSC



MS. TRAN THI THOAN
Member of the Board, Permanent Deputy General Director
Master's degree in Economic Management
 Born in 1985

From June 2007 to September 2009: In charge of Foreign Affairs at XO Vietnam Co., Ltd

From October 2009 to December 2015: Director of Business Center at An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From December 2015 to February 2017: Business Deputy General Director An Phat Bioplastics JSC

From March 2017 to March 2018: Production Deputy General Director of An Phat Bioplastics JSC

From March 2018 to now: Permanent Deputy General Director of An Phat Bioplastics JSC

From February 2021 to now: Member of the BOD of An Phat Bioplastics JSC

From June 2023 to now: Deputy General Director of An Phat Holdings JSC

BOARD OF MANAGEMENT (As of 19 April 2024)

Changes in the Board of Management during 2023:

June 1, 2023:

- Dismissal of Mr. Ngo Van Thu from the position of Deputy General Director in charge of Production

January 1, 2024:

- Dismissal of Ms. Lam Thi Hien from the position of Deputy General Director in charge of Business Development

October 1, 2023:

- Appointment of Mr. Nguyen Xuan Co to the position of Deputy General Director in charge of Production



MR. NGUYEN LE TRUNG
Founder
General Director
 MBA
 Born in 1976

From 1998 to 2002: Accountant at CMS Computer and Communication Co., Ltd

From 2002 to 2009: Accountant and Deputy Director of Anh Hai Duy Co., Ltd (now known as An Phat Bioplastics JSC)

From 2007 to 2015: Member of the BOD of An Phat – Yen Bai Plastic and Minerals JSC (now known as An Tien Industries JSC)

From August 2009 – June 2011: Finance Deputy General Director of An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From July 2011 to June 2022: Member of the BoD.

From July 2011 to now: General Director of An Phat Bioplastics

From June 2017 to now: Vice Chairman of An Phat Holdings JSC



MS. TRAN THI THOAN
Member of the Board, Permanent
Deputy General Director
 Master's degree in Economic Management
 Born in 1985

From June 2007 to September 2009: In charge of Foreign Affairs at XQ Vietnam Co., Ltd

From October 2009 to December 2015: Director of Business Center at An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From December 2015 to February 2017: Business Deputy General Director An Phat Bioplastics JSC

From March 2017 to March 2018: Production Deputy General Director of An Phat Bioplastics JSC

From March 2018 to now: Permanent Deputy General Director of An Phat Bioplastics JSC

From February 2021 to now: Member of the BOD of An Phat Bioplastics JSC

From June 2023 to now: Deputy General Director of An Phat Holdings JSC



MR. NGUYEN XUAN CO
Deputy General Director in
charge of Production
 Bachelor of engineer
 Born in 1988

From January 2011 to December 2011: Engineer at Quang Trung Lifting Equipment JSC

From January 2012 to June 2013: Deputy foreman of Trang An Tile JSC (now known as Dat Viet Tile JSC)

From September 2013 to June 2014: Coordinator at An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From July 2014 to September 2014: Acting Deputy Director of Factory No. 5 An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From June 2015 to November 2015: Assistant to Director of Factory No. 5 An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From December 2015 to December 2016: Production Planning Staff at An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From January 2017 to September 2018: Deputy Director of Factory No. 6 An Phat Plastic and Green Environment JSC (now known as An Phat Bioplastics JSC)

From October 2018 to September 2023: Factory No. 6 Director at An Phat Bioplastics JSC

From October 2023 to Now: Deputy General Director in charge of Production at An Phat Bioplastics JSC



MS. HOA THI THU HA
Member of the BOD,
Deputy General Director in
charge of Finance & Accounting
 Bachelor of Economics
 Born in 1978

From 2000 to 2002: Accountant at Khang Vinh Co., Ltd

From 2003 to 2005: Accountant at Hung Viet Co., Ltd

From 2005 to March 2007: Accountant at Anh Hai Duy Co., Ltd (the precursor of An Phat Bioplastics JSC)

From March 2007 to 2009: Head of Accounting of AnPhat Plastic and Packing JSC (now known as An Phat Bioplastics JSC)

From 2010 to March 2018: Chief accountant of AnPhat Plastic and Packing JSC (now known as An Phat Bioplastics JSC)

From 2010 to June 2022: Member of BOD of An Phat Bioplastics JSC

From March 2018 to now: Deputy General Director of An Phat Bioplastics JSC

From June 2020 to now: Member of BOD of Hanoi Plastics JSC

From January 2023 to now: Deputy General Director of An Phat Holdings JSC

From May 2023 to now: Member of BOD of An Phat Bioplastics JSC



MS. NGUYEN THI THUY VAN
Chief Accountant
 Bachelor of Economics
 Born in 1984

From 2009 to 2016: Accountant of An Phat Plastic and Green Environment JSC, now known as An Phat Bioplastics JSC;

From 2016 to April 2018: Deputy Manager of Accounting department of An Phat Bioplastics JSC;

From April 2018 to now: Chief Accountant of An Phat Bioplastics JSC.

From April 2023 to Now: Person in charge of Company administration cum Authorized person to disclose information of An Phat Bioplastics JSC.

BOARD OF SUPERVISORS (As of 19 April 2024)

Changes in the Board of Supervisors during 2023: None



MS. NGUYEN THI GIANG

Head of Board of Supervisors

*Master's degree in Economic Management
Born in 1983*

From 2008 to 2015: Accountant of An Phat Plastic and Green Environment JSC, now known as An Phat Bioplastics JSC

From 2015 to March 2016: Member of Internal Audit Department of An Phat Bioplastics JSC

March 2016 until now: Head of Board of Supervisors of An Phat Bioplastics JSC



MS. NGUYEN THI PHUONG

Member of Board of Supervisors

*Bachelor of Economics and Accounting
Born in 1989*

From June 2011 to February 2018: Accountant of An Phat Plastic and Green Environment JSC, currently known as An Phat Bioplastics JSC

From February 2018 to now: Member of Board of Supervisors of An Phat Bioplastics JSC



MS. VAN THI LAN ANH

Member of Board of Supervisors

Born in 1977

From 2002 to 2004: Accountant of Electronics and Construction 4 Company

From October 2004 to March 2007: Officer of Anh Hai Duy Co., Ltd

From March 2007 to April 2009: Officer of An Phat Plastic and Green Environment JSC, now known as An Phat Bioplastics JSC

From April 2019 to now: Member of Board of Supervisors of An Phat Bioplastics JSC.





02

DEVELOPMENT STRATEGIES

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- 46** Identify material issues
- 48** Strategic Orientation
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BUSINESS ENVIRONMENT- OPPORTUNITIES AND CHALLENGES

- Opportunity
- Challenge
- No impact

Key Impact Factors	Factor	Biodegradable packaging	Traditional packaging	Industrial Park	Resin trading
 MACROECONOMIC OUTLOOK	Lower growth of global economy	●	●	●	●
	Increased of FDI inflows into Vietnam	●	●	●	●
	Increased public debt and budget deficit	●	●	●	●
	Inflationary pressure, exchange rate risk, tightening monetary policy	●	●	●	●
	Ukraine war and geopolitical conflicts leads to escalating prices of energy and commodities	●	●	●	●
 INTERNATIONAL INTEGRATION	Access to greater markets due to free trade agreement	●	●	●	●
	Increasing global competition	●	●	●	●
	Diversification of global supply chain to Vietnam	●	●	●	●
 4.0 INDUSTRIAL REVOLUTION	Digital transformation trends in operation, automation in production	●	●	●	●
	Compete by leading the way in technology	●	●	●	●
 SOCIO-DEMOGRAPHIC FACTORS	The rate of plastic use per person is low compared to the world average	●	●	●	●
	Golden population structure, abundant labor resources	●	●	●	●
	Per capita income improves, household spending increases	●	●	●	●
	Awareness of environmental issues, plastic pollution is increasing	●	●	●	●
 CLIMATE CHANGE	Affecting the living environment, increasing diseases	●	●	●	●
	Adverse impacts on infrastructure and transportation system	●	●	●	●
	Increasing environmental and natural risks	●	●	●	●
	Higher requirement on risk management system	●	●	●	●
 CIRCULAR ECONOMY	Preference for Bioplastics	●	●	●	●
	Sustainable consumption trend	●	●	●	●
	Net Zero by 2050 goal of Vietnam government	●	●	●	●
	Green consumption trend become more popular in consumers and manufacturers	●	●	●	●



STAKEHOLDER ENGAGEMENT

Identifying stakeholders

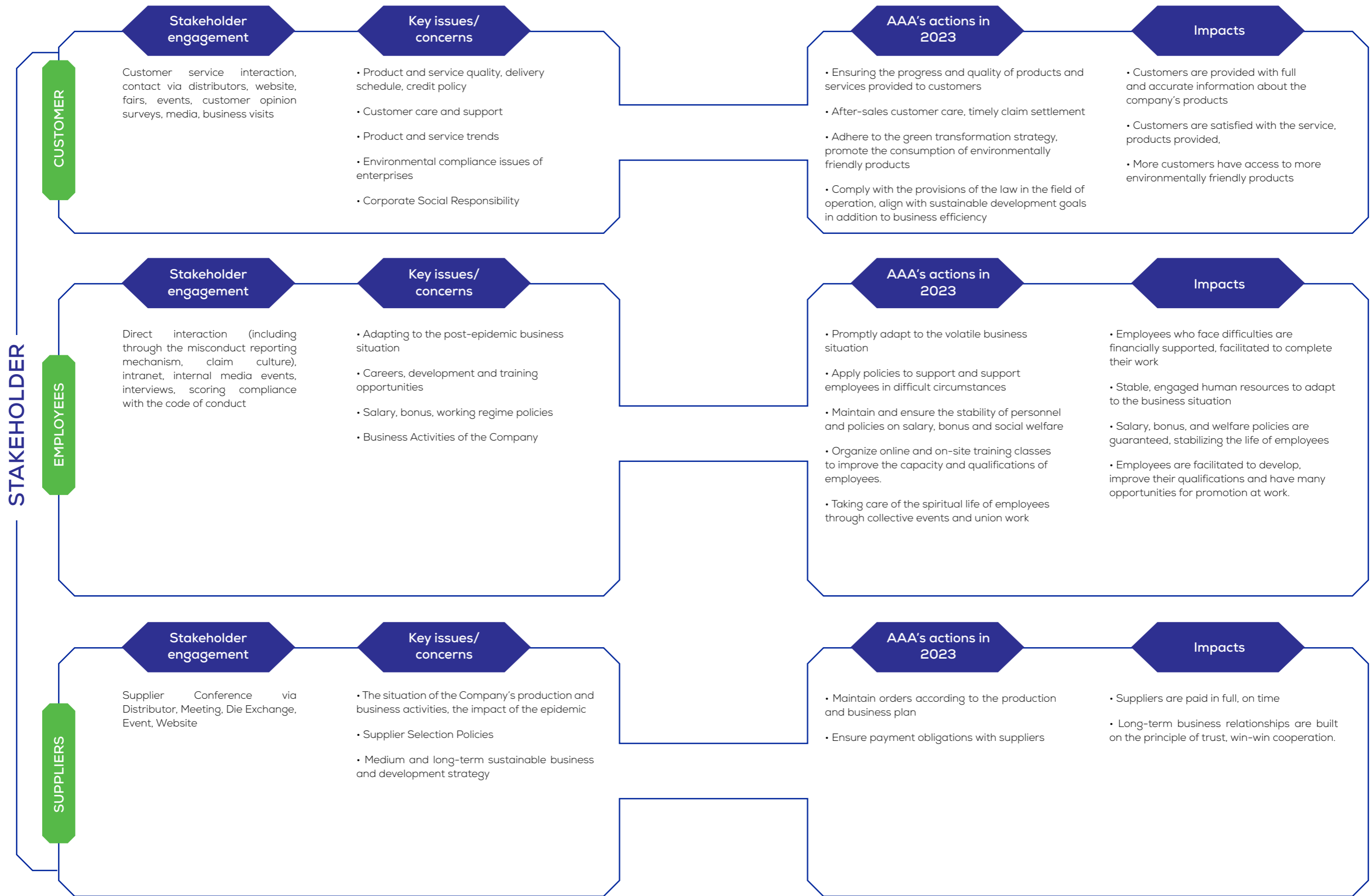
The Company identified related parties as individuals and organizations that affect or are affected by the Company's activities. Then, the expectations of stakeholders were collected, and we tried our best to create positive and sustainable values for all parties. We listen to stakeholders, building relationships based on trust and integrity. Opportunities and risks are identified based on regular dialogues with stakeholders. These interactions are carried out throughout the Company's operations, at home and abroad, in various forms.

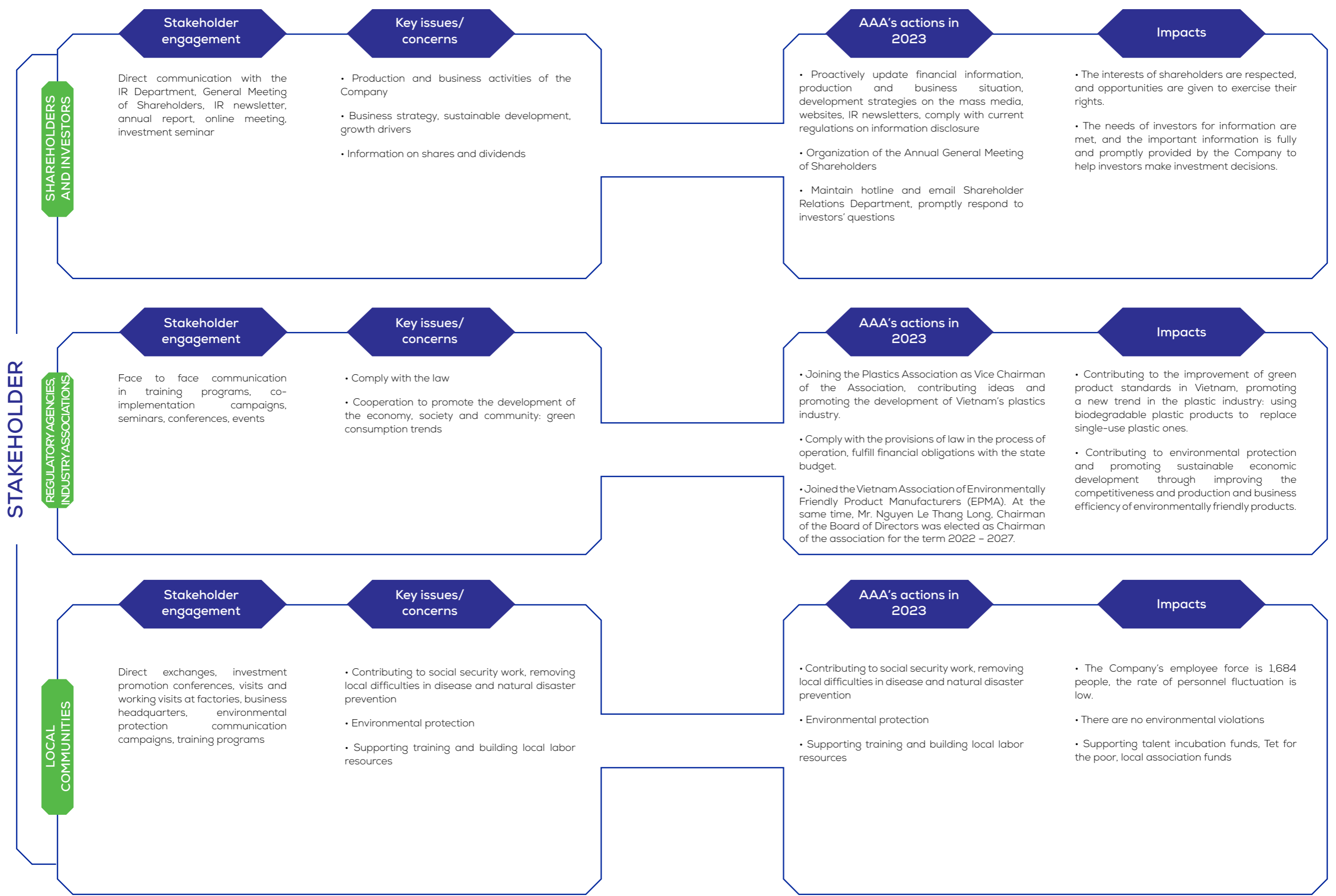


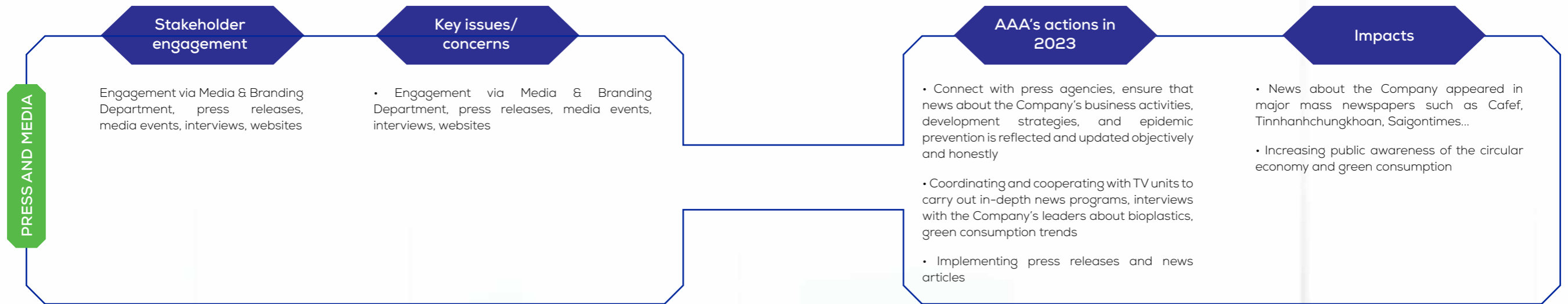
ENGAGEMENT ACTIVITIES

The Company establishes appropriate means of communication with each type of stakeholder. We discuss social and environmental topics to assess which issues the Company needs to focus on and address, ensuring that these issues are reflected in the Company's development strategy.







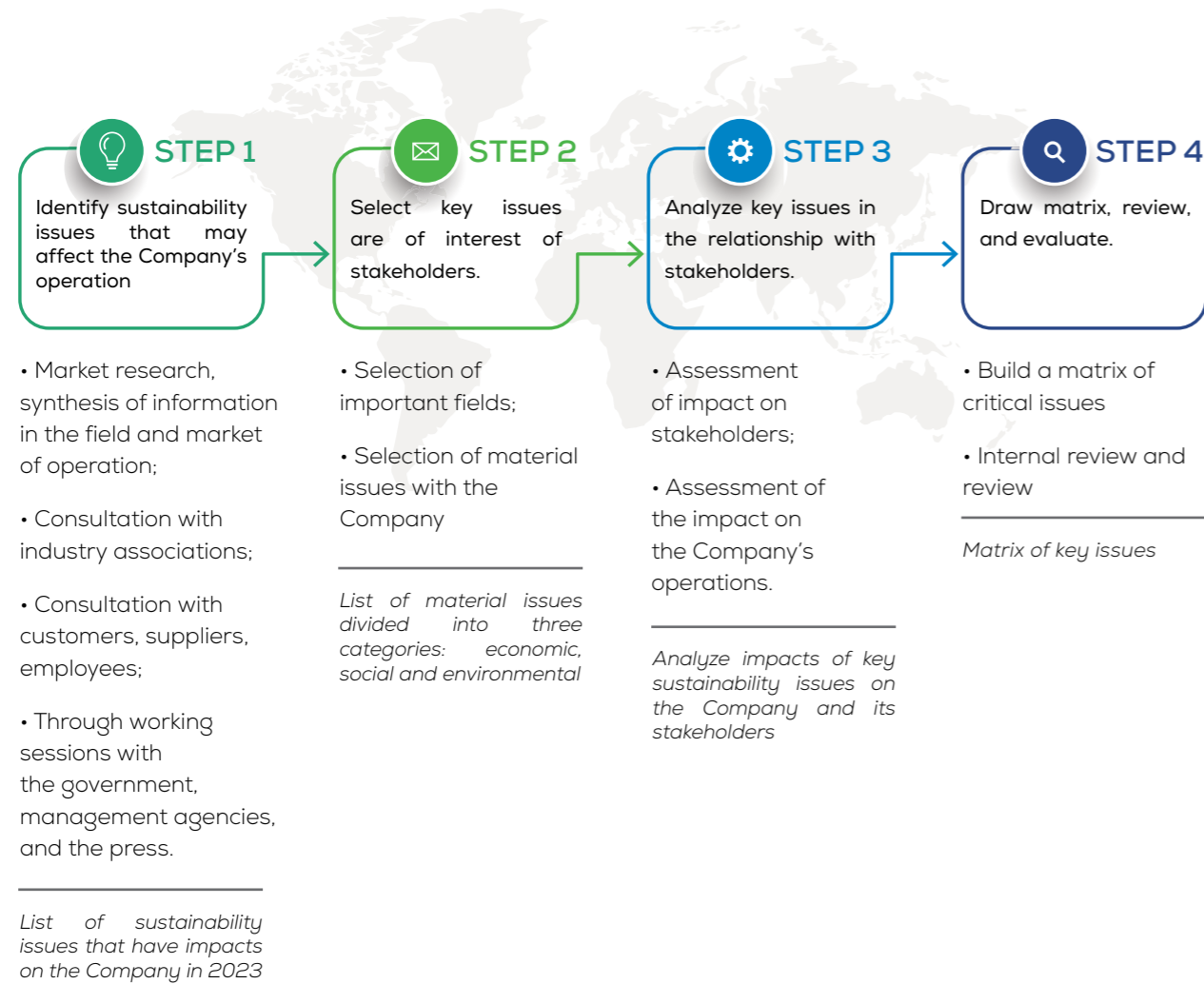


IDENTIFY MATERIAL ISSUES

On assessing importance of issues to stakeholders and the extent to which they affect operations of the Company, AAA built a matrix of material issues to determine prioritized issues, then developed action plans, allocating resources to meet stakeholder expectations.

Process of identifying material issues

Identifying key issues helps to align sustainability goals with economic efficiency targets. The process of identifying material issues carried out by the Company was in accordance with the guidance of GRI Standards. Based on analysis of impacts of business activities on economic, social, and environmental aspects, we identified material areas in accordance with GRI Standards. Upon consulting with stakeholders, we summarized the level of interest of stakeholders in each issue. Finally, material issues were put on a matrix, regarding their importance to stakeholders and the Company.



Matrix of critical issues

Stakeholders have expressed concerns about the impact of global events on the Company's operations, as well as how the company adapts in a challenging business environment. Following a process of investigation and evaluating stakeholders' level of interest in critical issues, the Company has reviewed, analyzed, and benchmarked against GRI Standards. Some of the issues that stakeholders have shown particular interest in over the past year are analyzed in the report as follows:

Economic issues

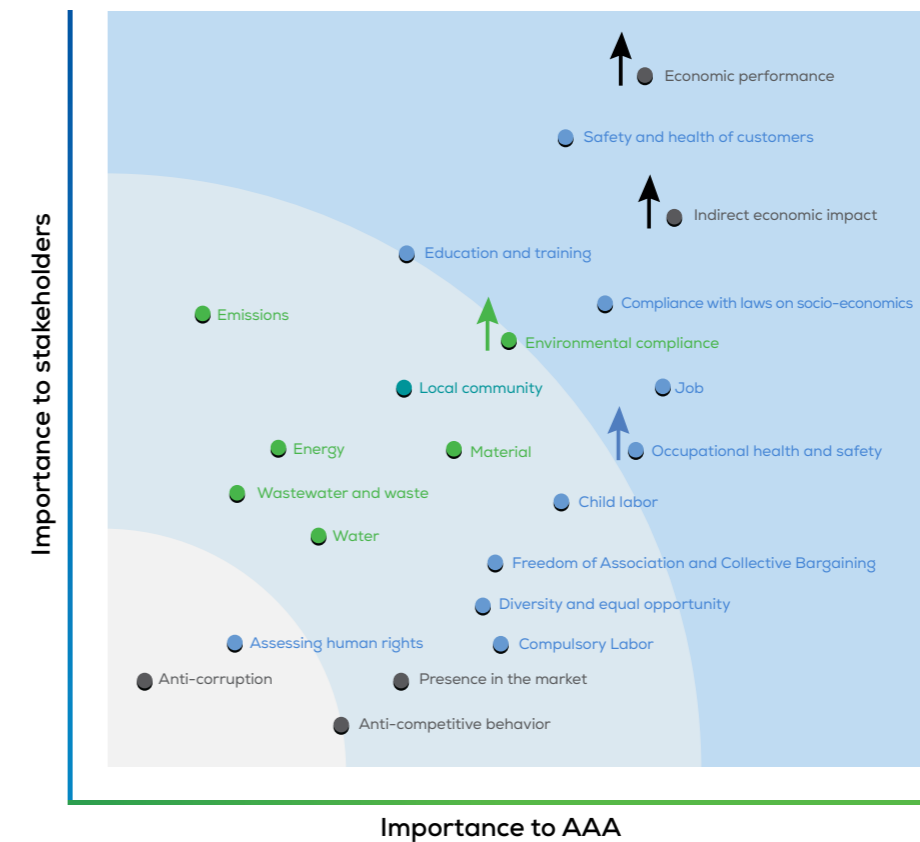
After consultation, the Company found that stakeholders are highly concerned about business efficiency issues and indirect economic impacts. Especially in 2023, factors such as the global economic recovery rate, inflation pressures, interest rates, and exchange rates have influenced the Company's business performance. How An Phat Bioplastics manages and controls these economic risks to ensure business efficiency and maintain market position has been addressed.

Social issues

Global instability has underscored the role of businesses in helping communities address challenges. In 2023, critical social issues for the Company receiving stakeholder attention include Labor, Health and Occupational Safety, Diversity and Equal Opportunity. Particularly, Labor issues are a top concern for stakeholders.

Environmental issues

Green transition is central to the Company's long-term development strategy. Simultaneously, in the context of the post-COVID world, there is increasing awareness of environmental issues' importance. As a manufacturing enterprise, stakeholders are concerned about how the company's operations impact the environment. In 2023, stakeholders prioritized issues such as Water, Emissions and Waste, and Environmental Compliance.



STRATEGIC ORIENTATION

BECOME A PIONEER ENTERPRISE IN ENVIRONMENTALLY FRIENDLY PACKAGING PRODUCTION, LEADING IN SOUTHEAST ASIA



- Maintain and expand global market share, continue to strengthen its position as the largest thin film packaging manufacturer in the region, the largest packaging exporter in Vietnam, and a leader in environmentally friendly packaging in Southeast Asia;
- Optimize existing product portfolio and aggressively shifting towards high-tech and eco-friendly products;
- Diversify business sectors: higher contribution of industrial packaging and industrial real estate;
- Invest in R&D application, accelerate digital transformation, enhance automation in production lines, and implement IT in system management and operation;
- Enhance workforce quality, build a future-oriented team, where corporate culture plays a central role in human resources development strategy;
- Improve and establish advanced management models, aligned with international standards;
- Ensure transparency, efficiency, and prudence in financial matters, safeguarding shareholder interests;
- Balance economic efficiency with sustainable development.

GREEN TRANSFORMATION STRATEGY



Green growth has become an inevitable trend, representing a new approach to economic growth aimed at achieving comprehensive prosperity for nations. Vietnam continues its trajectory of innovation, intensifying the transformation towards deep-quality and efficient growth models, while exerting maximum effort in post-COVID-19 recovery.

The National Green Growth Strategy for the period 2021-2030, with a vision to 2050, issued by the Government, underscores Vietnam's strong commitment to sustainable development through concrete, practical actions. At the 2021 United Nations Climate Change Conference (COP26), Prime Minister Pham Minh Chinh reaffirmed Vietnam's commitment to "build and implement stronger greenhouse gas emission reduction measures with its own resources, alongside international community cooperation and support in finance and technology transfer, including adherence to the Paris Agreement, to achieve net-zero emissions by 2050."

The Law on Environmental Protection 2020 and the Decree No. 08/2022/ND-CP dated January 10, 2022, detailing a number of articles of the Law on Environmental Protection have regulated the circular economy. As expected, the National Action Plan to implement circular economy will be promulgated by the Prime Minister in 2023. In the Vietnam Corporate Sustainability Forum (VCSF) 2021 with the theme "Towards a Decade of sustainable growths: Leaving no one behind" also discussed key issues related to sustainability growths of businesses associated with the circular

economy. As such, to accomplish both economic growth and environmental protection, the world has turned to the solution of a circular economy model to replace the traditional linear economic model; towards sustainable production and consumption and renew resources in a closed cycle in order to minimize emissions to the environment and create socio-economic values.

Recognizing this issue, the business community, including An Phat Bioplastics, plays a crucial role in the circular economy. Developing sustainable business models is not only a corporate responsibility but also helps businesses maintain competitive advantages and foster growth. The focal points of An Phat Bioplastics' Green Transformation Strategy and its subsidiaries include Green Materials, Green Products, and Green Industrial Parks. In materials, the company continues to innovate green material formulations, enhancing physical and chemical properties, reducing material consumption, and saving energy in production. In products, An Phat Bioplastics expands its range of biodegradable products, increasing the proportion of biodegradable packaging in its product mix. In industrial parks, it expands and develops the Green Industrial Park model-smoke-free zones utilizing solar power systems and wastewater treatment systems meeting standards. Through step-by-step implementation of the Green Transformation Strategy, An Phat Bioplastics and its subsidiaries are aligning with the current trends, meeting the increasing expectations of stakeholders regarding the role of businesses in advancing the circular economy and sustainable economic development.

STRATEGIC SOLUTIONS



BUSINESSES

- Optimizing product portfolio, market, focusing on exploiting markets and products with high efficiency and sustainable profit margins;
- Taking advantage of opportunities from the global economic recovery and shifting production to Vietnam to promote exports, in which the US market is the key strategic market;
- Expanding industrial packaging, optimizing market and product portfolio;
- Prioritizing the development of biodegradable and eco-friendly products, expanding the product portfolio to meet the various customer requirements;
- Promoting public marketing of ANECO in line with rising awareness of the public on plastic pollution and green consumption.



RESEARCH AND DEVELOPMENT – PRODUCTION IMPROVEMENT ACTIVITIES

- Continuously streamline the organizational structure and production service systems towards efficiency;
- Implement stable production processes, ensuring quantity, product quality, and delivery time;
- Enhance automation on production lines, promote digital transformation in production management;
- Encourage production improvement programs and initiatives to enhance labor productivity, reduce energy and material waste;
- Research and develop environmentally friendly product solutions to meet diverse customer needs.

FINANCIAL AND ACCOUNTING

- Optimize credit, trade policies, and effective cash flow management;
- Restructure capital sources to reduce debt, ensuring financial safety;
- Adjust and supplement financial management regulations and procedures towards streamlined processes, while maintaining effective financial resource management;



INFORMATION TECHNOLOGY

- Enhance digital transformation, apply new technologies in office and production environments to improve management efficiency and operational productivity;
- Ensure network information security, particularly business strategy information and customer data;
- Train and enhance IT skills of personnel to be ready to adopt new technologies and respond to cybersecurity risks.
- Research and strengthen automation deployment in controlling and managing operations in production and back-office.

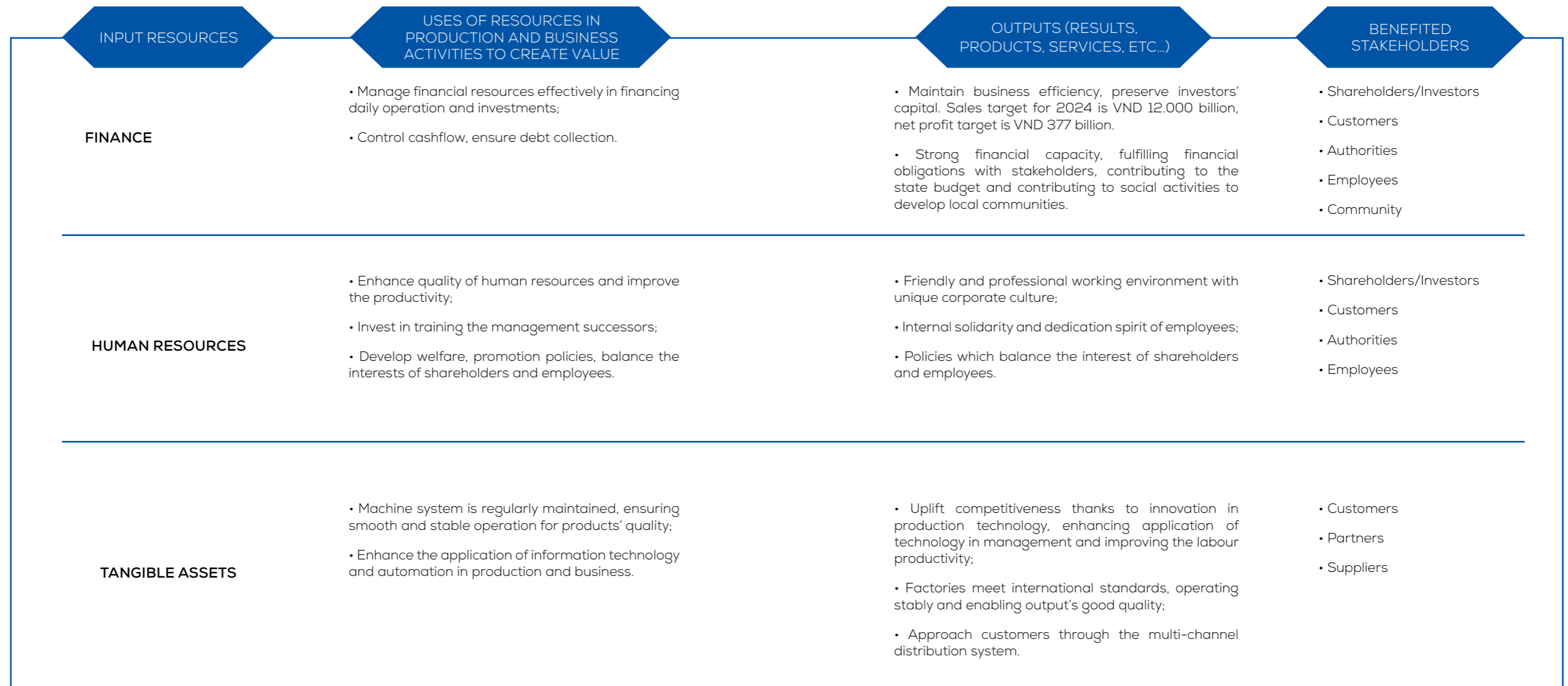
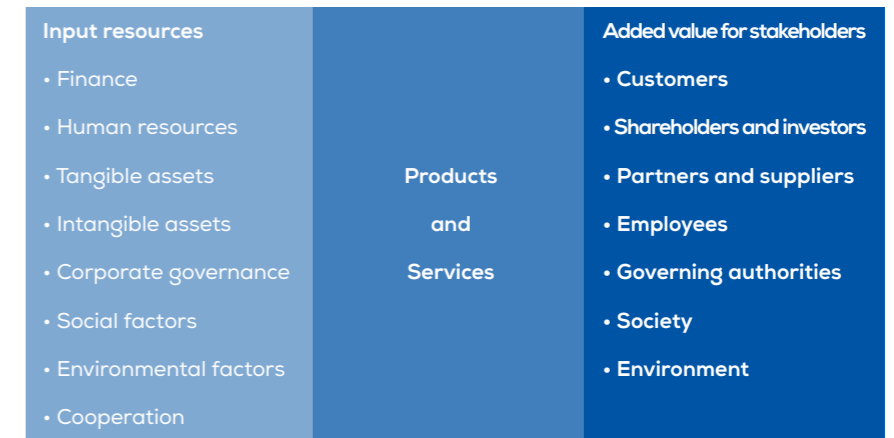


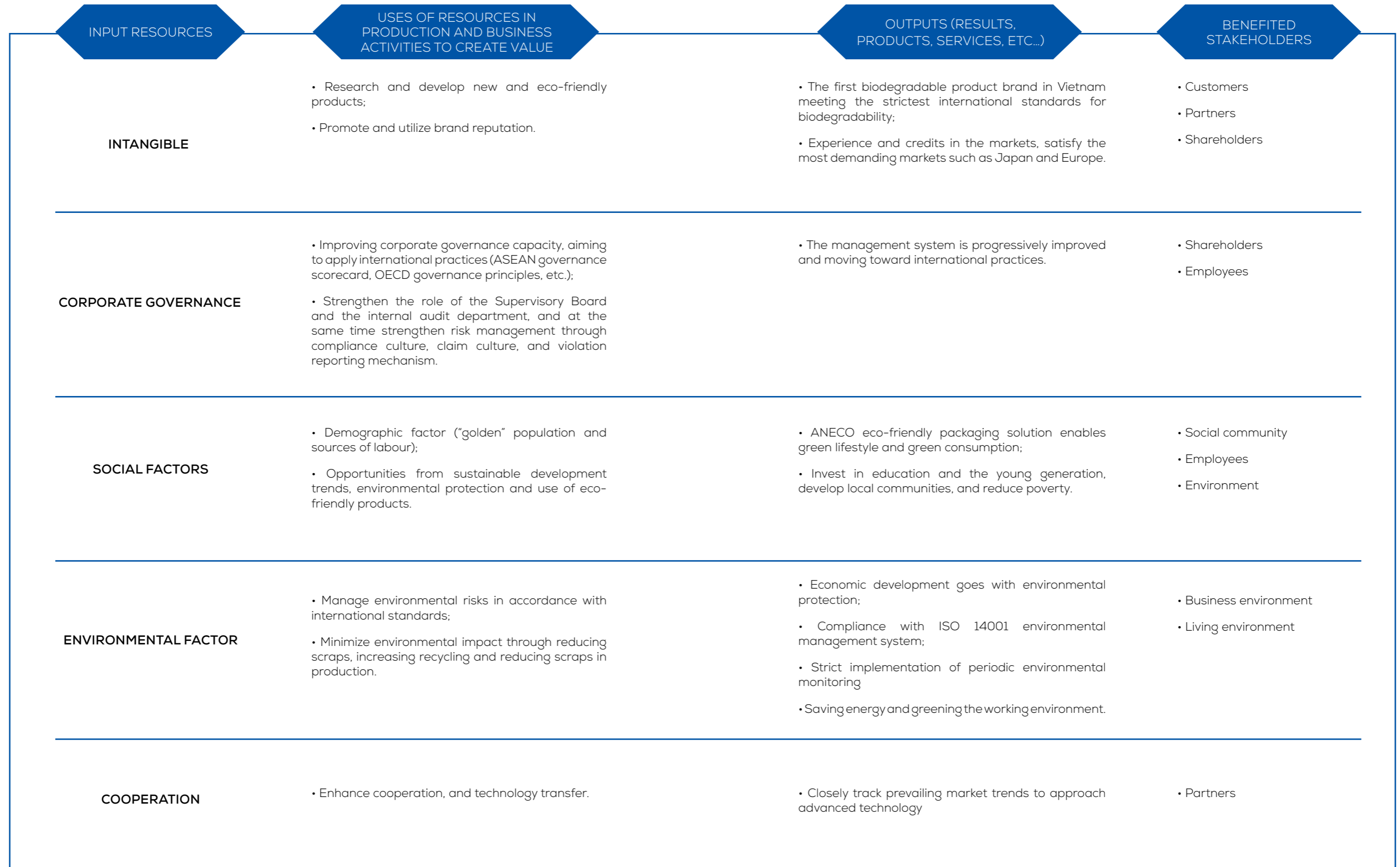
HUMAN RESOURCES MANAGEMENT – TRAINING – INTERNAL COMMUNICATION

- Enhance the use of information technology in building databases for personnel and administration, streamline administrative procedures;
- Care for the spiritual and material lives of employees, maintain and develop personnel policies, compensation packages, and competitive salaries;
- Continuously conduct new training and ongoing training for employees to enhance skills and professional competence;
- Organize and promote internal communication programs, build internal solidarity, and propagate the company culture with its unique identity.



GROWTH DRIVERS







03

REPORT ON 2023 OPERATION AND 2024 PLAN

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ECONOMIC LANDSCAPES IN 2023 AND OUTLOOK FOR 2024

Global economy

In 2023, the global economy experienced significant fluctuations and was influenced by various economic, political, and social factors. The ongoing military conflict between Russia and Ukraine, along with increasing instability in the Middle East, played crucial roles. Many countries have recovered from the impact of the COVID-19 pandemic, though the recovery pace has been uneven, with some nations still grappling with lingering challenges. Major economies such as the United States, China, and the EU have shown robust growth, while others face economic decline.

Countries continue to implement flexible monetary policies to stabilize their economies and control inflation. Global inflation has been gradually decreasing since the beginning of the year, thanks to synchronized interest rate hikes to curb inflation and falling energy prices. However, current inflation levels remain high for many countries compared to long-term targets. Trade wars between nations persist, causing instability in global markets. Protective trade measures may also affect capital flows and international business activities.

Commodity prices, particularly oil and raw materials, remain volatile due to supply and demand factors. Financial markets, including stock and cryptocurrency markets, are also impacted by these fluctuations. Countries are investing in new technologies like artificial intelligence, blockchain, and clean energy, leading to economic structural changes and creating new opportunities for growth and innovation.

In Southeast Asia, while countries like Vietnam, Thailand, and the Philippines have seen significant growth, the pace has slowed compared to pre-pandemic levels. These nations continue to face challenges such as inflation, budget deficits, and a shortage of high-quality labor. Governments in the region are implementing economic stimulus measures like increasing public spending, supporting businesses, and enhancing international economic cooperation. The ongoing economic restructuring includes heightened investment in high-tech industries and high value-added manufacturing sectors.

Key trends in the shift of production in Southeast Asia include:

- **Supply Chain Shift:** Due to the US-China trade war and the COVID-19 pandemic, many companies are considering moving supply chains out of China and looking for alternative manufacturing locations, with Southeast Asia being an attractive option.
- **Enhanced Regional Economic Cooperation:** Countries in the region are trying to attract foreign investment by improving infrastructure, reducing trade barriers, and creating a more favorable business environment.
- **High-Tech Industry Growth:** Nations like Vietnam and Indonesia are attracting investors in high-tech industries and the production of consumer electronics.
- **Labor Training Enhancement:** To attract investment and boost production, many countries are focusing on training a skilled workforce, especially in technology sectors.
- **Environmental and Labor Management Challenges:** The shift in production poses challenges in environmental management and labor, requiring a focus on environmental protection and fair, effective labor management.

In summary, 2023 saw economic recovery in Southeast Asia, making it a significant destination in the global production shift. However, investment and cooperative efforts from countries in the region are necessary to optimize opportunities and address challenges arising from this process.

Vietnam Economy

Geopolitical uncertainties, global economic difficulties, weak overall demand recovery, high inflation in many countries, and unstable supply chains have all impacted Vietnam's economy. Vietnam's GDP growth rate for 2023 reached 5.05%, lower than the 8.12% in 2022 and below the target growth rate of 6.5%. This growth in 2023 was only higher than the growth in 2020 (2.87%) and 2021 (2.55%), years when the economy was severely affected by the COVID-19 pandemic and recorded the lowest growth rates since 2011. Despite this, Vietnam remains among the countries with outstanding growth in the region and the world, at 1.68 times the global average.

The Consumer Price Index (CPI) for the entire year of 2023 increased by 3.25% compared to 2022, staying within the target set by the National Assembly and maintaining a low and stable level over the past years. The core inflation for 2023 averaged 4.2% higher than in 2022.

In 2023, exports of goods reached USD 355.5 billion, down 4.4% from 2022. In 2022, goods exports were USD 371.85 billion, a 10.6% increase from 2021. The total import value of goods in 2023 was USD 327.5 billion, a decrease of 8.9% from 2022. Similarly, the total import value of goods in 2022 increased by 8.4% compared to 2021.

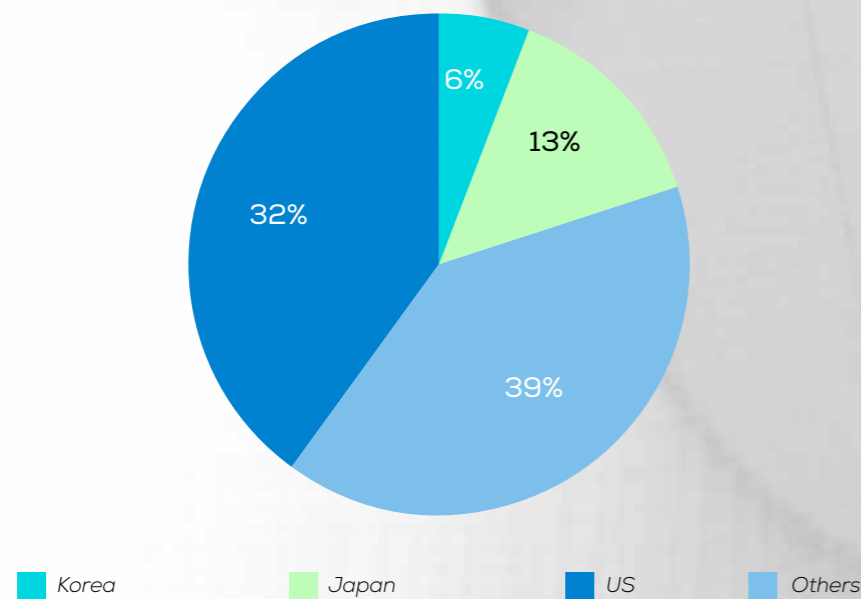
In 2024, potential risks from the global economic environment are expected to persist, continuing to negatively impact Vietnam's economic growth recovery prospects. The lingering effects of the COVID-19 pandemic remain. Inflation in some major economies is likely to stay high due to continued tight monetary policies. Public debt continues to rise. Global trade growth remains low, influenced by unpredictable and intense geopolitical competition. The pressures from fluctuating crude oil prices, volatile food prices, and prolonged interest rate hikes in many countries further complicate the economic landscape. With the global economy's recovery still unclear, Vietnam is forecasted to face numerous challenges in 2024.

However, Vietnam's economy may see more positive recovery opportunities if support policies enacted in 2023 have a more pronounced effect. Stronger boosts in investment (including private, FDI, public, and state-owned enterprises), consumption, tourism, and exports could drive the economy forward. Addressing and resolving long-standing issues, particularly those hindering businesses, investment projects, the real estate market, and corporate bonds, can lead to more positive changes in 2024. Overall, despite short-term macroeconomic negative factors, Vietnam can still be considered a stable economy with long-term growth potential.

VIETNAM PLASTIC INDUSTRY IN 2023 AND PROSPECT FOR 2024

In 2023, Vietnam's plastic product exports slightly decreased compared to 2022's. According to the General Department of Vietnam Customs, the export value of Vietnam's plastic products in 2023 dropped by 5.7% compared to 2022, reaching USD 5.18 billion. Despite facing many challenges, the growth rate of Vietnam's plastics industry has been slowing since the end of 2022 due to the overall global economic downturn and the lingering impacts of the COVID-19 pandemic. However, a positive sign is that the industry started showing signs of recovery from October 2023.

PLASTIC PRODUCT EXPORT MARKETS IN 2023
(by value)



(Source: General Department of Vietnam Customs)

Vietnam's plastic products have been sold in markets with developed industries and high standards, such as the US, EU and Japan. In 2023, the plastics industry in Vietnam benefited significantly from the EU-Vietnam Free Trade Agreement (EVFTA). The export value of plastic products to the US in 2023 reached USD 2.2 billion, remaining steady from the previous year and accounting for 42% of Vietnam's total plastic product export value.

Regarding industry trends, Vietnamese plastic enterprises need to adjust their production to meet new demands. Eco-friendly and sustainable products are gaining popularity as environmental concerns grow. This includes reusable and biodegradable packaging, as well as recycled plastic bottles for mineral water.

The Vietnamese plastics industry should encourage investment in specialized recycling industrial zones, provide support and advice for enterprises investing in plastic recycling through joint ventures, and partnerships of suitable scale. Recycling should be based on ensuring environmental safety according to international standards, thereby contributing to higher added value and better environmental protection.

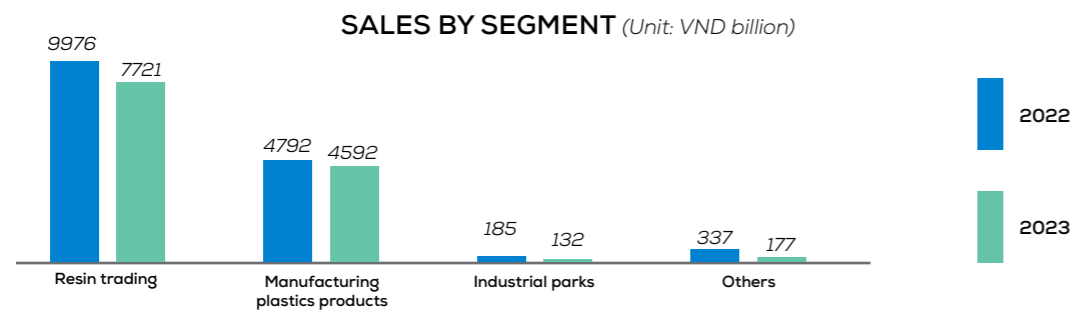
The total market size of Vietnam's plastics industry is estimated to reach 10.92 million tons in 2024 and is expected to hit 16.36 million tons by 2029, with a CAGR of 8.44% during the 2024-2029 period (Mordor Intelligence, 2023). In 2024, plastic exports are forecasted to grow by 4.4%.

REPORT BY THE BOARD OF MANAGEMENT

In 2023, AAA continued to assert its position as the leading producer and exporter of thin-film packaging in Vietnam and pioneered the development of environmentally friendly products.

Consolidated Business Results 2023

In 2023, AAA recorded consolidated revenue of VND 12,622 billion, achieving 101% of the set target but down 17% compared to 2022's. The revenue decline was mainly due to the lower base price of plastic resins compared to the previous year, leading to a decrease in plastic resins trading revenue. In 2023, the sales volume of packaging reached 102,217 tons, up 7% from 2022, while the sales volume of plastic additives and calcium carbonate powder reached 128,929 tons, up 42% from 2022.

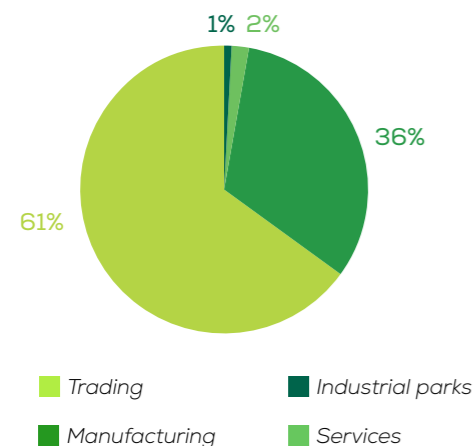


The consolidated gross profit in 2023 reached VND 1,109 billion, a 2% increase compared to 2022. The gross profit margin increased from 7.1% in 2022 to 8.8% in 2023, primarily due to the increased sales volume of packaging and plastic additives, along with the stabilization of plastic resin prices compared to 2022, which improved the gross profit margin of the resin trading segment. In 2023, selling expenses decreased by 23% compared to 2022, mainly due to reduced freight rates. Earnings before tax, depreciation, and interest in 2023 reached VND 899 billion, up 34% from 2022. The company reported a net profit after tax of VND 309 billion, a 164% increase compared to 2022, reaching 62% of the annual profit plan approved by the General Meeting of Shareholders. The net profit after tax attributable to the parent company's shareholders reached VND 289 billion, a 90% increase compared to 2022. As of December 31, 2023, the consolidated equity capital reached VND 5,964 billion, down 4% compared to the same period in 2022, with a debt-to-equity ratio of 0.5 times.

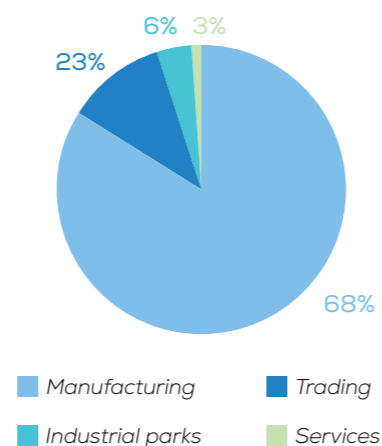
Reasons for Not Achieving the Profit Plan

The profit target was not met mainly because the industrial park (IP) segment recorded annual revenue and profit instead of a one-time recognition as planned at the beginning of the year. However, the An Phat No.1 IP still ensured progress in exploitation and handover to customers. As of December 31, 2023, the unrecognized revenue from the exploitation of An Phat No.1 IP and An Phat Complex IP was VND 1,614 billion.

2023 SALES BY SEGMENT



2023 GROSS PROFIT BY SEGMENT



MANUFACTURING PACKAGING AND PLASTIC ADDITIVE SEGMENT

In 2023, An Phat Bioplastics maintained its position as the largest plastic packaging exporter in Vietnam, and its subsidiary HII was among the top five largest exporters of plastic additives in Vietnam. For the packaging segment, the European, Japan, and US markets remained the most important ones. Asia was the main market for the production of calcium carbonate powder and plastic additives. The net revenue from production activities in 2023 reached VND 4,592 billion, down 4% from 2022, mainly due to lower plastic resin prices compared to 2022, resulting in lower product selling prices. In 2023, the sales volume of packaging reached 102,217 tons, up 7% from 2022, while the sales volume of additive plastic pellets and calcium carbonate powder reached 128,929 tons, up 42% from 2022.



RESIN TRADING SEGMENT

Operations in the plastic raw materials sector are carried out through the production of plastic additives (An Tien Industries JSC - HII) and resin trading (An Thanh Bicol JSC - ATT and An Thanh Bicol Singapore Co., Ltd. - ATS, which are two subsidiaries of HII). The trading revenue in 2023 reached VND 7,721 billion, down 23% from 2022 due to a decrease in plastic resin prices during the year. The gross profit from the resin trading in 2023 reached VND 254 billion, a significant increase compared to 2022, due to stable plastic resin prices in 2023 and effective initiatives in managing inventory, debt, and customer.



INDUSTRIAL PARK SEGMENT

In 2023, the industrial park segment achieved net revenue of VND 132 billion, mainly from land and factory leases in An Phat Complex IP. The net revenue from the industrial park segment in 2023 decreased compared to 2022 because the company did not recognize one-time revenue and profit as in 2022, and the revenue and profit from the An Phat No.1 IP were recorded annually. As of December 31, 2023, the rental income from investment properties in the An Phat Complex project and An Phat 1 Industrial Park project recorded under unearned revenue was VND 1,614 billion.



SERVICES AND OTHERS

The services sector mainly includes revenue from providing transportation services and industrial park segment. In 2023, revenue and gross profit reached VND 177 billion and VND 30 billion, respectively, down 48% and 37% from 2022, mainly due to reduced freight rates.

FINANCIAL PERFORMANCE

BUSINESS RESULTS

Indicator	2023		2022		YoY Change
	Value (VND billion)	% Sales	Value (VND billion)	% Sales	
Net sales	12,622		15,290		-17.45%
Cost of goods sold	11,513	91.22%	14,204	92.9%	-18.95%
Gross profit	1,109	8.78%	1,086	7.1%	2.07%
Financial revenues	243	1.92%	214	1.4%	13.15%
Financial expenses	239	1.90%	257	1.7%	-7.04%
Of which, interest expense	190	1.51%	174	1.1%	9.67%
Profit (loss) from affiliates	53	0.42%	58	0.4%	-8.21%
Selling expenses	511	4.05%	666	4.4%	-23.28%
Administration expenses	285	2.26%	248	1.6%	15.22%
Profit from operating activities	369	2.92%	187	1.2%	96.85%
Other profit	9	0.07%	(1)	0.0%	-850.13%
Profit before tax	378	2.99%	186	1.2%	103.10%
Net profit	309	2.45%	117	0.8%	163.61%
Net profit attributed to shareholders of parent company	289	2.29%	153	1.0%	89.65%

Source: Audited consolidated financial statements 2023

Net Sales

Net sales for 2023 reached VND 12,622 billion, a 17% decrease compared to 2022. The decline in revenue was primarily due to the lower average price of plastic resins, resulting in decreased resin trading revenue.

Gross Profit

In 2023, consolidated gross profit was VND 1,109 billion, a 2% increase compared to 2022. The packaging and plastic additives production segments contributed 68% to the consolidated gross profit. The gross profit margin increased from 7.1% in 2022 to 8.8% in 2023. The increase in gross profit and improvement in gross profit margin were mainly due to higher sales volumes of packaging and plastic additives, along with more stable plastic resin prices and optimized sales and inventory policies, which improved the gross profit margin of the trading segment.

Financial Expenses

Financial expenses for 2023 were VND 239 billion, a 7% decrease compared to the previous year, mainly due to a reduction in exchange rate losses from VND 68 billion in 2022 to VND 25 billion.

Impact of Exchange Rate Differences on Business Operations

In 2023, the consolidated business results reported a profit of VND 42 billion from exchange rate differences, compared to VND 46 billion in 2022.

Impact of Interest Rate Differences on Business Operations

Interest rate differences in 2023 resulted in a loss of VND 14 billion, compared to VND 73 billion in 2022.

Impact of Bad Debts/Bad Receivables/Bad Asset

In 2023, the consolidated income statement reported a provision expense of VND 15 billion for doubtful receivables, with no occurrence of bad assets or bad debts. As of December 31, 2023, the company had set aside VND 25 billion for short-term doubtful receivables.

Selling Expenses

Selling expenses in 2023 decreased by 23% compared to 2022, mainly due to reduced freight rates.

Administrative Expenses

Administrative expenses in 2023 increased by 15% to VND 285 billion, due to higher costs for outsourced services and labor.

Net Profit from Business Activities

Net profit from business activities reached VND 369 billion, a 97% increase compared to 2022, due to higher gross profit, increased financial revenue, and reduced selling expenses.



BALANCE SHEET

As of December 31, 2023, AAA's total assets reached VND 11,583 billion, a 7% increase compared to December 31, 2022. This increase was due to a 0.4% rise in current assets and a 15% rise in non-current assets. In terms of asset structure, current assets accounted for 49% and non-current assets for 51%, compared to 52% and 48% respectively in 2022.

CHANGES IN THE STRUCTURE OF CONSOLIDATED TOTAL ASSETS IN 2023

Indicator	31/12/2023		31/12/2022		YoY Change
	VND billion	% of total assets	VND billion	% of total assets	
Current assets	5.682	49,05%	5.659	52,4%	0,40%
Cash and cash equivalents	2.435	21,02%	1.643	15,2%	48,21%
Short-term financial investments	1.080	9,32%	449	4,2%	140,63%
Short-term receivables	1.205	10,40%	1.573	14,6%	-23,40%
Short-term account receivables	687	5,93%	1.020	9,5%	-32,67%
Inventories	782	6,75%	1.790	16,6%	-56,33%
Inventories provision	-2	-0,01%	-71	-0,7%	-97,59%
Non-current assets	5.902	50,95%	5.137	47,6%	14,89%
Fixed assets	2.013	17,38%	2.077	19,2%	-3,10%
Investment real estates	1.318	11,38%	497	4,6%	165,04%
Long-term assets in progress	296	2,56%	693	6,4%	-57,24%
Long-term financial investments	1328	11,47%	1494	13,84%	-11,10%
Total Assets	11.583	100%	10.796	100,0%	7,30%

Source: Audited consolidated financial statements 2023

Current Assets

As of December 31, 2023, current assets amounted to VND 5,682 billion, a 0.4% increase compared to December 31, 2022. This was mainly due to an increase in cash, cash equivalents, and short-term financial investments. Current assets represented 49% of the total asset structure, compared to 52% in 2022.

- Cash and Cash Equivalents: Total cash, cash equivalents, and short-term financial investments at the end of 2023 were VND 3,515 billion, a 68% increase compared to 2022.

- Short-term Receivables: As of December 31, 2023, short-term receivables were VND 1,205 billion, accounting for 10.40% of total assets and a 23.40% decrease compared to December 31, 2022. Notably, receivables from customers decreased by 32.67%, from VND 1,020 billion in 2022 to VND 687 billion in 2023. The company maintained good management of receivables, but due to some customers being affected by the pandemic, it made a provision of VND 25 billion for short-term doubtful debts, compared to VND 12.6 billion in 2022.

- Inventories: The value of inventories as of December 31, 2023, was VND 782 billion, a 56.33% decrease compared to the end of 2022. This decrease was due to lower plastic resin inventories and a reduced provision for the devaluation of plastic resin inventories, as plastic resin prices stabilized in 2023.

Non-current Assets

As of the end of 2023, non-current assets were VND 5,902 billion, a 14.89% increase compared to VND 5,137 billion as of December 31, 2022. The increase in non-current assets was mainly due to an increase in investment properties. In 2023, several construction investment items under the An Phat 1 IP Project were completed and accepted, leading to an increase in the value of investment properties to VND 1,318 billion, compared to VND 497 billion in 2022, equivalent to a 165% increase.



CAPITAL STRUCTURE

Indicator	31/12/2023		31/12/2022		YoY Change (%)
	VND billion	% of total liabilities and owners' equity	VN billion	% of total liabilities and owners' equity	
Total liabilities	5.620	48,51%	4.625	42,8%	21,51%
Current liabilities	3.737	32,26%	3.206	29,7%	16,55%
Short-term payables	517	4,47%	755	7,0%	-31,43%
Short-term loans	2.625	22,67%	1.888	17,5%	39,08%
Long-term liabilities	1.883	16,25%	1.418	13,1%	32,74%
Unearned revenue	1.498	12,93%	157	1,46%	852,03%
Long-term loans	359	3,10%	1.242	11,5%	-71,12%
Owners' Equity	5.964	51,49%	6.171	57,2%	-3,36%
Contributed capital	3.823	33,00%	3.823	35,4%	-
Retained earnings	563	4,86%	722	6,7%	-22,04%
Minority Interest	620	5,35%	651	6,0%	-4,85%
Total liabilities and owners' equity	11.583	100%	10.796	100,0%	7,30%

Source: Audited consolidated financial statements 2023

Total liabilities as of December 31, 2023, stood at VND 5,620 billion, a 21.51% increase compared to the same period in 2022. This included short-term liabilities of VND 3,737 billion, a 16.55% increase compared to the same period in 2022, and long-term liabilities of VND 1,883 billion, a 32.74% increase compared to the same period in 2022. The increase in liabilities was due to an increase in advance rental income for real estate and factories (unearned revenue). Short-term and long-term loans as of December 31, 2023, amounted to VND 2,984 billion, equivalent to a Debt/Total Capital ratio of 0.26 times, slightly lower than 0.29 times at the end of 2022.

FINANCIAL RATIOS

FINANCIAL RATIOS 2022-2023

Source: AAA

Indicator	Unit	Parent company's results		Consolidated results	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
Liquidity ratio					
Current ratio	Times	1,21	1,65	1,52	1,76
Quick ratio	Times	0,98	1,15	1,31	1,21
Financial leverage ratio					
Total liabilities/ Total assets	Times	0,26	0,25	0,26	0,29
Total liabilities/ Owners' equity	Times	0,39	0,37	0,50	0,51
Efficiency					
Asset turnover	Times	0,55	0,75	1,13	1,47
Receivables turnover	Times	8,51	6,97	503,17	14,18
Accounts payable turnover	Times	10,26	12,31	18,10	20,82
Inventory turnover	Times	5,44	7,41	8,95	10,19
Profitability					
Net margin	%	3,96%	0,6%	2,45%	0,8%
ROAE	%	3,21%	0,47%	5,33%	3,0%
ROAA	%	2,18%	0,72%	2,76%	1,6%
EBIT margin	%	8,03%	3,2%	4,50%	1,2%
EBITDA margin	%	12,49%	6,6%	7,13%	4,4%
Earnings per share (EPS)		-	-	757	408

(*) For ratios related to the consolidated financial statements, net profit attributed to shareholders of the parent company is used for calculation.

Liquidity

The company's current ratio remained stable and above 1 over the years, reflecting a low risk of liquidity issues.

Capital structure

The Debt/Total Assets ratio continued to improve as the company proactively reduced its debt during the year.

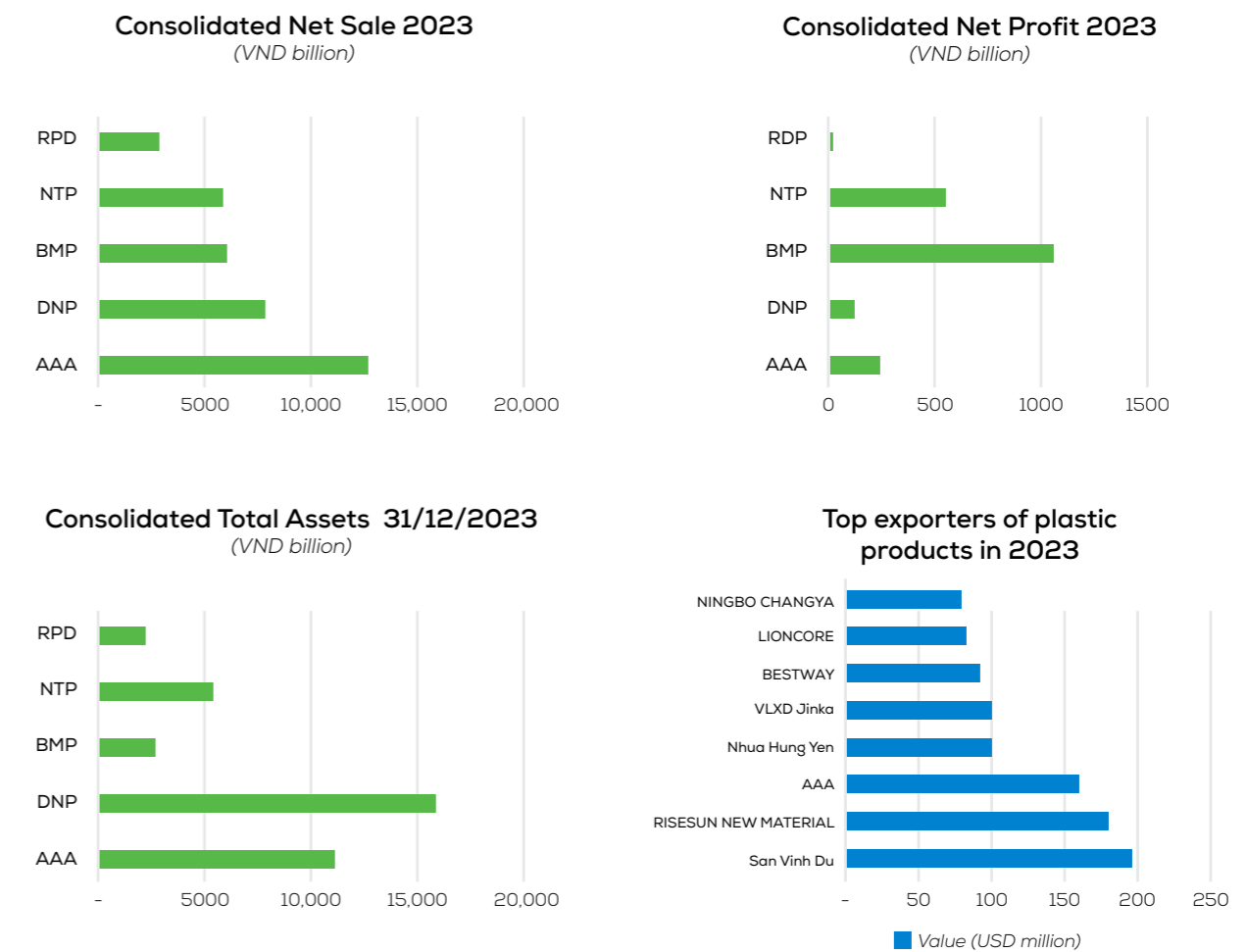
Profitability

Profitability indicators increased compared to 2022 due to the recovery in the manufacturing segment and profitability in the commercial segment as plastic pellet prices stabilized in 2023.



COMPARISONS OF LISTED COMPANIES IN PLASTIC INDUSTRY 2023

Source: Compiled from financial statements of companies, General Department of Customs



Thus, compared with peers, AAA was among the leaders in the industry. By turnover, An Phat Bioplastics was in the Top 3 exporter of plastic products and Top 1 exporter of plastic packaging in Vietnam.

REPORT ON ASPECTS OF OPERATION IN 2023

R&D, PRODUCTION ACTIVITIES AND ADVANCEMENT INITIATIVES

The Executive Board prioritizes investment in research and development, technological innovation, and continuous production enhancements as fundamental elements for achieving sustainable competitive advantage.

In 2023, to comply with export standards in developed markets, the factories maintained adherence to international quality and environmental management systems such as ISO 9001:2015, ISO 14001:2015, and ISO 22000:2015. The technical department conducted regular inspections and calibrations of machinery and equipment in the production lines. Production processes emphasized quality control, occupational safety, environmental protection, and operational efficiency. Delivery schedules were reliably met, and customer complaints and issues from the sales department with the factory were minimized.

AAA continued to implement production enhancements, advance digital transformation in production management, and increase automation to enhance labor productivity, product and service quality, and the efficiency of material and energy use. Additionally, the R&D center intensified efforts to diversify the product portfolio, focusing on fully biodegradable products for both export and domestic markets, optimizing raw material formulations to enhance production efficiency, reduce material consumption rates, and lower production costs. Notable R&D activities during the year included:

- Expanding fully biodegradable product lines.
- Improving raw material formulations.

ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCE MANAGEMENT

In 2023, the company maintained a stable departmental structure, and personnel management policies continued to be upheld and enhanced, creating a stable, high-quality workforce that meets the company's production and business operation needs. Key outcomes in 2023 included:

- Ensuring the implementation of salary, bonus, social welfare, and health insurance policies in accordance with legal regulations for employees.
- Building a professional employer image, focusing on recruitment to ensure both quality and quantity.
- Organizing company anniversary events such as running races, cultural programs, birthday celebrations, and major holidays to strengthen internal cohesion and solidarity.
- Continuing to cultivate and disseminate corporate culture deeply within employees' lives.
- Continuing to adjust and refine the competency framework, develop KPI targets for each position, and transparently and publicly assess employees' work performance.
- Implementing training programs to enhance professional and leadership capabilities, and developing a successor leadership team.



INFORMATION TECHNOLOGY ACTIVITIES

In 2023, IT activities achieved the following results:

- Safely operating the internal IT system without incidents.
- Upgrading network infrastructure, servers, workstations, backup data systems, enhancing data security, and establishing information security protocols.
- Continuing training on cybersecurity and information security, completing the work of protecting cybersecurity, with no security incidents.
- Implementing projects to develop business software, enhancing digital transformation such as financial accounting consolidation software, RPA automation software, customer relationship management software, inventory management software, and more.

ENERGY CONSUMPTION AND ENVIRONMENTAL COMPLIANCE

In 2023, AAA maintained compliance with environmental regulations without any violations. The company conducted quarterly environmental monitoring at the factories, and all results met regulatory requirements. The company's environmental control system adhered to ISO 14001 standards, effectively managing environmental risks. Indicators of electricity and water consumption were within the planned parameters, and no environmental incidents occurred during the year.

COMPLIANCE WITH LEGAL REGULATIONS AND RESPONSIBILITY TO THE LOCAL COMMUNITY

In 2023, AAA fulfilled its obligations to the state budget and maintained compliance with all legal regulations across its operational areas. Despite challenges from the business environment, the company and its subsidiaries maintained stable employment and income for nearly 3,000 local and neighboring area workers. AAA also proactively contributed to social programs such as caring for heroic Vietnamese mothers, scholarship funds, women's union funds, and more, thereby contributing to the improvement of local social welfare.

2024 STRATEGY OUTLOOK

MARKET OUTLOOK FOR PLASTIC INDUSTRY IN 2024

According to projections by the IMARC Group, the global plastics market is anticipated to reach USD 747.9 billion by 2028, growing at an average annual rate of 3.18% from 2023 to 2028. The demand for packaging plastics will remain a significant growth driver, propelled by the increased use of convenient food packaging. Additionally, engineering plastics will drive further growth, as their applications in automotive manufacturing enhance fuel efficiency, reduce vehicle weight, improve safety, minimize noise, and lower production costs. The advent of bioplastics, which offers lower carbon emissions and non-toxic properties, is also contributing positively to market prospects, particularly in applications such as food packaging, agriculture, horticulture, medical devices, and cosmetics.

According to GlobeNewswire, the global plastic packaging market is expected to exceed USD 474.74 billion by 2028, with a compound annual growth rate (CAGR) of 4.23% from 2023 to 2028. The Asia-Pacific region is expected to be the primary growth engine, driven by population growth and increased demand for packaging solutions in personal care, food and beverages, and consumer goods. Additionally, the expansion of the middle class, lower resin prices, and the diversity of business sizes are contributing to market expansion. The moisture resistance and protective properties of plastic packaging have increased its application in e-commerce, especially in developing countries. The food industry also extensively uses plastic packaging due to its flexibility and utility.

In the context of packaging plastics, rising environmental awareness is promoting the use of renewable materials derived from fully biodegradable bioplastics sourced from biomass such as vegetable oil and corn starch, instead of petroleum. The demand for these materials is expected to soon surpass that of traditional petroleum-based polymers.

In Vietnam, the Government's mid-2021 approval of the plan to enhance plastic waste management sets significant targets: by 2025, to use 100% environmentally friendly bags and packaging in shopping centers and supermarkets for domestic purposes, replacing non-degradable plastic bags; to ensure the collection, reuse, recycling, and treatment of 85% of generated plastic waste; to reduce marine and ocean plastic waste by 50%; and to aim for 100% of tourist sites, tourist accommodations, and hotels to not use non-degradable plastic bags and single-use plastic products. This initiative is expected to drive significant growth for ANECO's fully biodegradable bioplastic products in the domestic market.

Thus, while the demand for traditional plastic packaging is forecasted to grow steadily at 4-5% in the coming period, biodegradable plastic products have higher growth potential and represent a future consumption trend both globally and in Vietnam. Consequently, An Phat Holdings' strategy to maintain stable growth in traditional plastic packaging while prioritizing the expansion of biodegradable packaging aligns well with market trends.



INDUSTRIAL REAL ESTATE MARKET OUTLOOK

The outlook for Vietnam's industrial real estate sector is promising due to several factors: (1) the influx of foreign investment into Vietnam, (2) favorable FDI attraction policies, (3) competitive industrial land rental rates, which are 30-36% lower compared to Indonesia and Thailand, and (4) a high occupancy rate of approximately 80% in industrial zones nationwide. The demand for industrial land is expected to remain robust, with the saturation of older industrial hubs driving rental rates upward and prompting the expansion of new industrial land reserves. In this context, An Phat 1 Industrial Park began handing over properties to customers in 2023 and is on track for full exploitation in 2024. The company is also exploring and evaluating potential projects to expand its industrial real estate portfolio.

For 2024, AAA has set ambitious targets: a revenue goal of VND 12,000 billion and a post-tax profit of VND 377 billion, representing a 22% increase over the 2023 profit. Key profit growth drivers include: (1) growth in core business areas such as the production of packaging plastics and additive masterbatches, increasing the contribution of high-margin industrial and biodegradable packaging, optimizing the existing customer, product, and market structure; (2) accelerating the handover of properties at An Phat 1 Industrial Park; (3) improving the efficiency of the plastic resin trading segment; and (4) optimizing operational and corporate management costs.



REPORT BY THE BOARD OF DIRECTORS

REPORT OF OPERATING ACTIVITIES

Introduction to the Board of Directors:

The Board of Directors (BOD) of An Phat Holdings comprises five members, including one Chairman, one independent member, and two non-executive members.

Detailed information can be found in Chapter I, Overview – Introduction to the Board of Directors section.

BOD ACTIVITIES IN 2023:

- In 2023, the BOD held 12 meetings with a 100% attendance rate and issued 12 resolutions and decisions to implement the resolutions of the General Meeting of Shareholders and other activities within the BOD's authority.
- Meetings were convened and conducted in accordance with the company's Charter and Corporate Governance Regulations. The meeting contents were thoroughly discussed and evaluated by BOD members to provide the best strategic direction and solutions for the Company.
- The BOD strictly adhered to and fully executed the tasks as outlined in the 2023 Annual General Meeting resolutions, supervised the Executive Board to promptly meet shareholders' requirements, organized BOD meetings, maintained regular interaction with the Supervisory Board, and ensured periodic communication with investors.

MONITORING AND EVALUATION OF THE CEO AND EXECUTIVE BOARD

In 2023, the BOD highly appreciated the Executive Board's exceptional efforts in managing and swiftly adapting to macroeconomic conditions, implementing business measures amidst global geopolitical volatility, and navigating the post-Covid-19 economic recovery.

Supervision Activities:

In compliance with the company's Charter, Corporate Governance Regulations, internal regulations, and applicable laws, the BOD conducted the following supervisory activities over the Executive Board:

- Supervised the implementation of investment and business activities of member companies and subsidiaries.
- Directed and monitored the strict implementation of financial reporting for the quarterly, semi-annual, and annual periods of 2023.
- Successfully organized the 2023 Annual General Meeting of Shareholders on May 15, 2023.
- Monitored the execution of resolutions and decisions issued by the General Meeting of Shareholders and the BOD, and evaluated the Executive Board's performance in business activities.
- Supervised and directed the timely and transparent disclosure of information as required.
- Oversaw the Executive Board's management to enhance the efficiency of business operations and achieve the set performance targets.

Supervision Results:

- In 2023, AAA recorded consolidated net revenue of VND 12,622 billion, achieving 101% of the General Meeting of Shareholders' target; consolidated net profit after tax was VND 309 billion, a 164% increase compared to 2022, reaching 62% of the General Meeting of Shareholders' target.
- During operations, the Company strictly complied with current laws and its operational regulations. The Executive Board effectively managed production and business activities, demonstrating high responsibility towards stakeholders.

Overall, 2023 was a challenging year for the global and Vietnamese economies. However, the Executive Board successfully navigated these difficulties, increased production output, contributed to profit growth, and reinforced the Company's position as the largest plastic packaging exporter in Vietnam. They also maintained and expanded business operations in other sectors. The achievements of the Executive Board in 2023 will serve as a strong foundation for the Company to excel in its business areas in 2024 and continue realizing its medium and long-term business strategies as set forth by the BOD.



BOARD OF DIRECTORS' STRATEGIC DIRECTION

The year 2024 is expected to be another challenging year for businesses, including AAA. The global economy is forecasted to experience low growth with ongoing pressures from exchange rates and inflation. Amidst this context, AAA aims to reaffirm its position as a leading company in Vietnam's plastic packaging industry while expanding its business into other areas such as industrial real estate, plastic materials, and logistics. Integrating sustainable development goals with effective business objectives, the Board of Directors outlines the key tasks for the Executive Board to focus on in 2024 as follows:

- **Business Plan:** Aggressively implement solutions and business strategies to meet the 2024 business targets. Concentrate resources on key growth drivers: enhance the production and sales of packaging and plastic additives by increasing sales volume and the proportion of high-margin industrial and biodegradable packaging, optimizing the product portfolio and existing markets; ensure timely delivery to customers at An Phat 1 IP; maintain efficiency in the plastic additives trading segment and optimize operational, management, and sales costs.
- **Research, Development, and Production Improvement:** Continue to strengthen research activities and diversify the product portfolio, particularly focusing on environmentally friendly bioplastic products and materials. Encourage and vigorously implement production improvement initiatives to enhance labor productivity, improve product quality, and ensure practical applicability.
- **Corporate Governance:** Review and adjust internal processes, regulations, and policies to comply with newly enacted laws. Additionally, reform coordination mechanisms and operational processes to ensure streamlined, efficient, and robust operations and control. Enhance the risk management system to ensure flexibility and adaptability to the business environment.

- **Human Resource Management:** Review, streamline, and organize personnel effectively, enhancing the quality of the workforce and stabilizing the production team. Increase training, particularly in preparing future leadership, to support the company's development plans; continue to promote the unique corporate culture, strengthening internal solidarity.
- **Community Impact:** Promote and encourage sustainable consumption habits within the community through mass media, while sponsoring social programs aligned with the main goals: alleviating hardship, nurturing talent, and honoring those who have contributed to society.

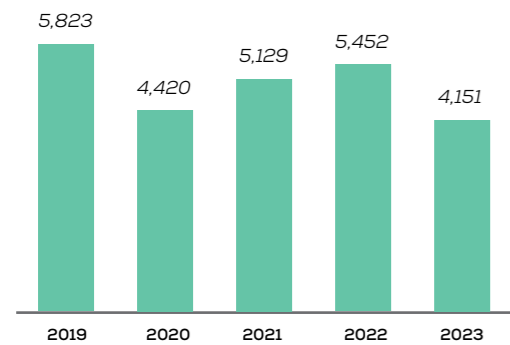
Business plan for 2024 as follows:

No.	Criteria	Plan 2024
1	Consolidated net revenue (VND billion)	12,000
2	Consolidated net profit (VND billion)	377

REPORTS ON OPERATION OF MEMBER COMPANIES

THE PARENT COMPANY

Net Sales of Parent Company (VND Billion)



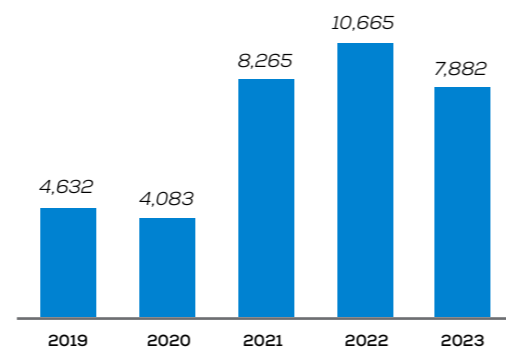
For the parent company's business results, AAA recorded net revenue of VND 4,151 billion in 2023, a 24% decrease compared to 2022, mainly due to reduced selling prices as a result of lower plastic resin prices in the first half of 2023. Gross profit reached VND 520 billion, with the gross profit margin increasing from 11.3% in 2022 to 12.52% in 2023. Financial expenses decreased by 40%, from VND 320 billion in 2022 to VND 192 billion in 2023, primarily due to reduced financial investment provisions in subsidiaries (as these subsidiaries returned to profitability). Earnings before interest, taxes, depreciation, and amortization (EBITDA) in 2023 reached VND 518 billion, a 45% increase compared to 2022. The parent company reported after-tax profit of VND 164 billion in 2023, 4.9 times higher than in 2022.

AN TIEN INDUSTRIES JSC (HSX: HII)

The consolidated business results of HII include the parent company HII, which specializes in supplying plastic resins and additives, and its subsidiaries: An Tin Logistics JSC, An Thanh Bicsol JSC and An Thanh Bicsol Co., Ltd. Singapore.

Consolidated net revenue for 2023 reached VND 7,882 billion, a 26% decrease compared to 2022. The revenue decline was primarily due to lower plastic resin prices, resulting in reduced revenue from the plastic resin trading segment. The production of stone powder and plastic additives saw a 42% increase in sales volume, reaching 128,929 tons. The gross profit margin improved significantly to 5.3%, compared to 2.2% in 2022. Consolidated gross profit reached VND 419 billion, an 88% increase compared to 2022, driven by higher sales volumes of plastic additives and stable plastic resin prices, allowing the company to maintain good profit margins in the plastic resin trading segment. After-tax profit was VND 80 billion, a significant improvement from a loss of VND 143 billion in 2022.

HII's consolidated net sales (Unit: VND billion)



AN PHAT HIGH TECH INDUSTRIAL PARK JSC

In 2023, An Phat High-Tech Industrial Park Joint Stock Company reported consolidated revenue of VND 135 billion, a 32% decrease compared to 2022, with gross profit reaching VND 72 billion, a 42% decrease compared to 2022. This decline was due to the absence of one-time revenue and profit from the sale of factory buildings at An Phat Complex IP, as recorded in 2022, while An Phat 1 IP recorded annual revenue and profit. An Phat 1 IP began handing over properties to customers in 2023. The advance payments received from real estate leases, not yet recognized as revenue by December 31, 2023, amounted to VND 1,614 billion. The total consolidated assets of APC as of December 31, 2023, stood at VND 3,702 billion.

Investment and New Projects

Financial Investments in 2023

- The company acquired an additional 1,020,000 shares of An Phat Complex, increasing its ownership stake in An Phat Complex to 93.04%.



- The company purchased 9,000,000 shares of An Phat High-Tech Industrial Park 1, resulting in a direct ownership stake of 24%, and increasing its total direct and indirect ownership stake in An Phat High-Tech Industrial Park 1 to 94.7%.

Project Implementation

Plastic Materials and Products Manufacturing Plant (Project Plant 8)

According to Investment Policy Adjustment Decision No. 61/QĐ-UBND by the People's Committee of Hai Duong Province on January 9, 2024, the project's details are as follows:

- Project Name: Plastic Materials and Products Manufacturing Plant
- Project Objective: To invest in the construction of a plant for producing plastic materials and products (packaging and floorings) to meet market demand.
- Total Project Investment: VND 992,599,000,000
- Project Implementation Timeline: Complete construction and bring the entire project into operation before May 31, 2025.
- Project Progress as of May 2024:
 - Completed investment and construction procedures.
 - Completed compensation and site clearance work, with a compensation and site leveling cost of VND 54 billion.
 - Invested in infrastructure, roads, drainage systems, and workshops with an investment value of VND 265 billion.
 - Invested in machinery and equipment with an investment value of VND 235 billion.



04

CORPORATE GOVERNANCE REPORT

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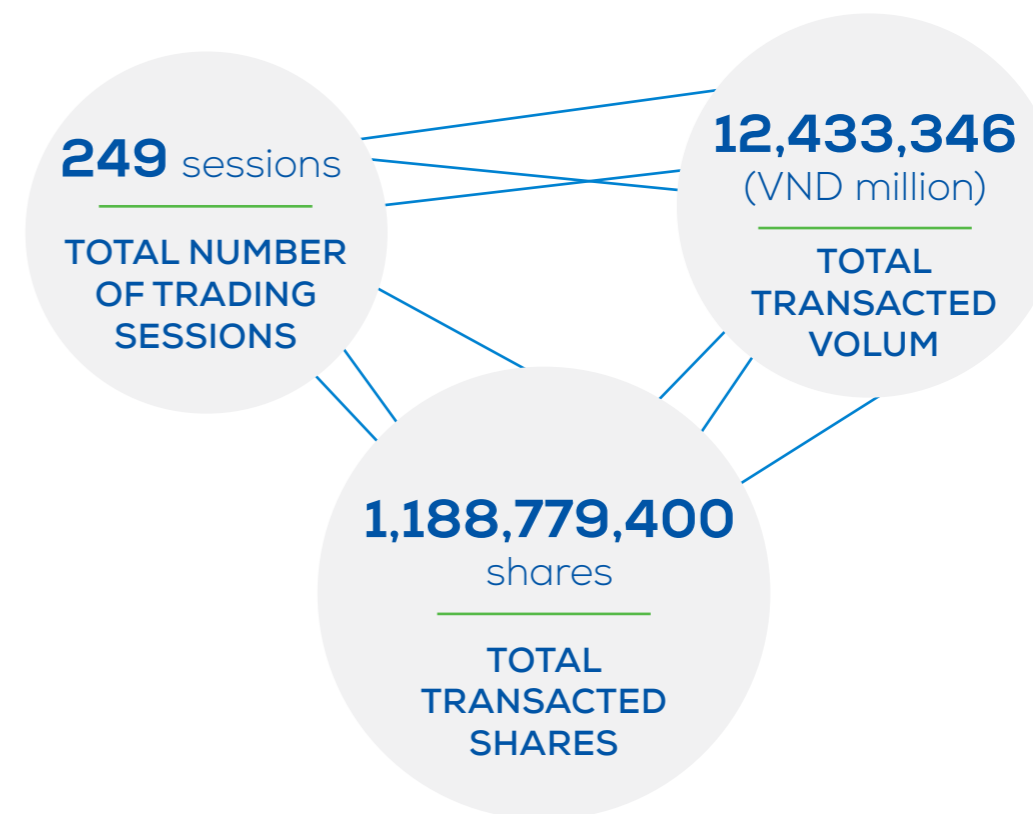
SHARE INFORMATION AND SHAREHOLDING STRUCTURE

SHARE INFORMATION

- **Ticker:** AAA
- **Stock Exchange:** Ho Chi Minh Stock Exchange
- **Type of share:** Common share
- **Face value:** VND 10,000
- **Number of listed shares:** 382,274,496
- **Number of outstanding shares:** 382,274,496
- **Number of treasure shares:** 0
- **Number of transferable shares:** 382,274,496
- **Number of shares with transfer restriction:** 0
- **Market capitalization (as at 29/12/2023):** VND 3,612 billion



TRANSACTION STATISTICS IN 2023



Price (*)	Date	Price (VND/Share)	Volume	Date	No. of shares
Close	29/12/2023	9,450		29/12/2023	1,660,900
High	25/07/2023	12,450	High	25/07/2023	26,643,600
Low	31/10/2023	8,000	Low	21/12/2023	556,100



CHANGES IN OWNER'S CONTRIBUTED CAPITAL

The company was established in the form of a limited liability company in September 2002 with a charter capital of VND 500 million. On March 9, 2007 the company changed to a joint stock company with a charter capital of VND 30 billion. As of 31 December 2023, the charter capital of the Company reached VND 3,822,744,960,000, changes in charter capital since establishments are as follows:

1st increase

- In April 2007: an increase from VND 30 billion to VND 60 billion via the private placement in accordance with Resolution No. 1403/2007/QĐ-DHĐ of the General Meeting of Shareholders
- Approver of share issuance: Hai Duong Department of Planning and Investment
- Charter capital before issuance: VND 30,000,000,000
- Charter capital after issuance: VND 60,000,000,000
- Par value: 10,000 VND/share
- Issue price: 10,000 VND/share
- Total number of shares issued: 3,000,000 shares

3rd increase

- From April 2009 to May 2010 increased capital from VND 66 billion to VND 99 billion through the issuance of shares to existing shareholders in accordance with Resolution No. 1704/2010/NQ-ĐHĐCĐ of the General Meeting of Shareholders
- Approver of share issuance: Hai Duong Department of Planning and Investment
- Charter capital before issuance: VND 66,000,000,000
- Charter capital after issuance: VND 99,000,000,000
- Par value: 10,000 VND/share
- Issue price: 37,000 VND/share
- Issuance ratio: 2:1 (shareholders owning 2 shares received 1 additional share)
- Total number of shares issued: 3,300,000 shares

5th increase

- On October 13, 2014 increased capital from VND 198 billion to VND 396 billion through the issuance of shares to existing shareholders according to the Resolution No. 0105/2014/NQ-ĐHĐ dated May 26, 2014 of the 2014 Annual General Meeting of Shareholders
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 198,000,000,000
- Charter capital after issuance: VND 396,000,000,000
- Par value: 10,000 VND/share
- Issue price: 11,000 VND/share
- Issuance ratio: 1:1 (shareholders owning 1 share received 1 additional share)
- Total number of shares issued: 19,800,000 shares

2nd increase

- In December 2007 an increase from VND 60 billion to VND 66 billion through the private placement of shares in accordance with Resolution No. 3011/2007/QĐ-DHĐCĐ of the General Meeting of Shareholders.
- Approver of share issuance: Hai Duong Department of Planning and Investment
- Charter capital before issuance: VND 60,000,000,000
- Charter capital after issuance: VND 66,000,000,000
- Par value: 10,000 VND/share
- Issue price: 40,000 VND/share
- Total number of shares issued: 600,000 shares

4th increase

- On November 26, 2012 an increase from VND 99 billion to VND 198 billion through the issuance of shares to existing shareholders according to the Resolution of the General Meeting of Shareholders No. 1106/2012/NQ-ĐHĐCĐ
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 99,000,000,000
- Charter capital after issuance: VND 198,000,000,000
- Par value: 10,000 VND/share
- Issue price: 12,000 VND/share
- Issuance ratio: 1:1 (shareholders owning 1 share received 1 additional share)
- Total number of shares issued: 9,900,000 shares

6th increase

- On October 6, 2015 increased capital from VND 396 billion to VND 494,999,880,000 through the issuance of shares to pay dividends in accordance with Resolution No. 1208/2015/NQ-ĐHĐ of the Board of Directors.
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 396,000,000,000
- Charter capital after issuance: VND 494,999,880,000
- Issuance ratio: 100:25 (shareholders owning 100 shares received an additional 25 shares)
- Par value: 10,000 VND/share
- Total number of shares issued: 9,899,988 shares
- Number of shareholders to be distributed shares: 1,507 shareholders

7th increase

- On May 9, 2016 increased capital from VND 494,999,880,000 to VND 518,999,880,000 through the issuance of shares to employees according to the Resolution No. 1903/2016/NQ-ĐHĐ dated March 19, 2016 of the Annual General Meeting of Shareholders
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 494,999,880,000
- Charter capital after issuance: VND 518,999,880,000
- Par value: 10,000 VND/share
- Total number of shares issued: 2,400,000 shares

9th increase

- On June 1, 2017, capital was increased from VND 569,649,880,000 to VND 586,649,880,000 through the issuance of shares to employees according to the Resolution No. 1802/2017/NQ-ĐHĐ dated 18/02/2017 of the General Meeting of Shareholders
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 569,649,880,000
- Charter capital after issuance: VND 586,649,880,000
- Par value: 10,000 VND/share
- Total number of shares issued: 1,700,000 shares

11th increase

- On December 8, 2017, increased capital from VND 592,499,880,000 to VND 835,999,880,000 through the issuance of shares to exercise warrants for the third time in accordance with the Resolution No. 0611/2017/NQ-ĐHĐ dated November 6/2017 of the Board of Directors
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 592,499,880,000
- Charter capital after issuance: VND 835,999,880,000
- Par value: VND 10,000 /share
- Total number of shares issued: 24,350,000 shares

8th increase

- On December 23, 2016, increased capital from VND 518,999,880,000 to VND 569,649,880,000 through the issuance of shares to exercise warrants for the first time in accordance with the Resolution No. 0711/2016/NQ-ĐHĐ dated 7/11/2016 of the Board of Directors
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 518,999,880,000
- Charter capital after issuance: VND 569,649,880,000
- Par value: 10,000 VND/share
- Total number of shares issued: 5,065,000 shares

10th increase

- On June 16, 2017, increased capital from VND 586,649,880,000 to VND 592,499,880,000 through the issuance of shares to exercise warrants for the second time according to the Resolution No. 2905/2017/NQ-ĐHĐ dated May 29/2017 of the Board of Directors
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 586,649,880,000
- Charter capital after issuance: VND 592,499,880,000
- Par value: 10,000 VND/share
- Total number of shares issued: 585,000 shares

12th increase

- In May 2018, increasing capital from VND 835,999,880,000 to VND 1,671,999,760,000 through the issuance of shares to existing shareholders at a ratio of 1:1 according to the Resolution No. 080201/2018/NQ-ĐHĐ dated February 8, 2018 of the General Meeting of Shareholders.
- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 835,999,880,000
- Charter capital after issuance: VND 1,671,999,760,000
- Par value: VND 10,000 /share
- Issuing price: VND 14,000 /share
- Issuance ratio: 1:1 (shareholders owning 1 share will receive 1 additional share)
- Total number of shares issued: 83,599,988 shares

CHANGES IN OWNER'S CONTRIBUTED CAPITAL

13th increase

- In September 2018, increased capital from VND 1,671,999,760,000 to VND 1,711,999,760,000 through the issuance of shares under the employee selection program according to the Resolution of the General Meeting of Shareholders No. February 8, 2018

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 1,671,999,760,000
- Charter capital after issuance: VND 1,711,999,760,000
- Par value: VND 10,000 /share
- Issue price: VND 10,000 /share
- Total number of shares issued: 4,000,000 shares

15th increase

- In October 2020, increased capital from VND 2,111,999,760,000 to VND 2,217,599,740,000 through the issuance of shares paying dividends in 2019 according to the Resolution of the 2020 Annual General Meeting of Shareholders No. /NQ - AGM on March 25, 2020 and Resolution of the 2020 Extraordinary General Meeting of Shareholders No. 280801/2020/NQ - AGM on August 28, 2020.

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 2,111,999,760,000
- Charter capital after issuance: VND 2,217,599,740,000
- Issuance ratio: 100:5 (shareholders owning 100 shares will receive 5 more shares)
- Face value: VND 10,000
- Total number of shares issued: 10,559,998 shares

14th increase

- In July 2020, increasing capital from VND 1,711,999,760,000 to VND 2,111,999,760,000 through the issuance of shares to exercise warrants for the second time in accordance with the Resolution No. 010703/2020/NQ-HDQT dated 01/03 07/2020 of the Board of Directors.

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 1,711,999,760,000
- Charter capital after issuance: VND 2,111,999,760,000
- Face value: VND 10,000/ share
- Issue price: VND 14,000 /share
- Total number of shares issued: 40,000,000 shares

16th increase

- In May 2021, increase capital from VND 2,217,599,740,000 to VND 2,967,599,740,000 via public offering by way of public auction at the Ho Chi Minh City Stock Exchange, according to the Resolution of the 2021 Extraordinary General Meeting of Shareholders No. 050201/2021/NQ - General Meeting of Shareholders dated February 5, 2021.

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 2,217,599,740,000
- Charter capital after issuance: VND 2,967,599,740,000
- Par value: VND 10,000 /share
- Starting price of offering: VND 14,000 /share
- Average winning price: VND 14,236 /share
- Total number of shares issued: 75,000,000 shares



17th increase

- In September 2021, increase capital from VND 2,967,59,740,000 to VND 3,264,344,960,000 through the plan to issue shares to increase share capital from owner's equity according to the Resolution of the 2021 General Meeting of Shareholders No. 290601/2021/NQ - General Meeting of Shareholders dated June 29, 2021.

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 2,967,599,740,000
- Charter capital after issuance: VND 3,264,344,960,000
- Issuance ratio: 10:1 (owner of 10 shares received 01 new share)
- Face value: 10,000 VND /share
- Total number of shares issued: 29,674,522 shares

18th increase

- July 2022, increase capital from VND 3,264,344,960,000 to VND 3,822,744,960,000 through the plan of issuing shares to increase share capital by the method of public auction conducted at the Stock Exchange. Ho Chi Minh City Stock Exchange was approved under the Resolution of the General Meeting of Shareholders No. 10001/01/2022/ NQ-DHDCD dated January 10, 2022.

- Approver of share issuance: State Securities Commission
- Charter capital before issuance: VND 3,264,344,960,000
- Charter capital after issuance: VND 3,822,744,960,000
- Starting price: VND 12,000 /share
- Face value: VND 10,000 /share
- Total number of shares issued: 55,840,000 shares

Treasury share transactions

In 2023, the Company did not have treasury share transactions. Currently, there is no treasury share.

Other securities

In 2023, the Company did not have transaction related to other type of securities.

SHAREHOLDING STRUCTURE

MAJOR SHAREHOLDER LIST (FROM 5% AND HIGHER)

No	Shareholder	No. of shares	Ownership (%)
1	An Phat Holdings JSC	191,787,394	50.17%

(According to the report on transaction result of An Phat Holdings JSC dated 28/06/2023)

SHAREHOLDER STRUCTURE BY TYPE

(According to the shareholder book as of 11/04/2023)

Shareholder	No. of shares owned	As a percentage of Charter capital
I. Domestic	374,888,323	98.1%
• Institutions	208,369,843	54.5%
• Individuals	166,518,480	43.6%
• Preferred shareholders	-	-
II. Foreign	7,386,173	1.9%
1. Institutions	4,551,931	1.2%
2. Individuals	2,834,242	0.72%
3. Preferred shareholders	-	-
III. Treasury shares	-	-
Total	382,274,496	100%

Of which:

- Common shares	382,274,496	100%
- Preferred shares	-	-

Shareholders	Domestic		Foreign		Total	
	No. of shares	Ownership (%)	No. of shares	Ownership (%)	No. of shares	Ownership (%)
State-owned	-	-	-	-	-	-
Internal	2,500,000	0.65%	-	-	2,500,000	0.65%
Others	372,388,323	97.41%	7,386,173	1.9%	379,774,496	99.35%
Total	374,888,323	98,1%	7,386,173	1,9%	382,274,496	100%

FOREIGN OWNERSHIP ROOM: 100%

Internal shareholders

Member	Name - Position	No of shares owned	Ownership ratio (%)	
Board of Directors	Nguyen Le Thang Long - Chairman	0	0	
	Dinh Xuan Cuong - Member	0	0	
	Nguyen Thi Tien - Member	0	0	
	Tran Thi Thoan - Member	200.000	0,05	
	Phan Tri Nghia - Member	200,000	0,05	
	Board of Management	Nguyen Le Trung - General Director	0	0
	Tran Thi Thoan - Permanent Deputy General Director	200.000	0,05	
	Ngo Van Thu - Deputy General Director in charge of Production	200.000	0,05	
	Lam Thi Hien - Deputy General Director in charge of Business Development	0	0	
	Hoa Thi Thu Ha - Deputy General Director in charge of Finance and Accounting	0	0	
	Board of Supervisors	Nguyen Thi Giang - Head of the Board	0	0
	Van Thi Lan Anh - Member	0	0	
	Nguyen Thi Phuong - Member	0	0	
	Chief Accountant	Nguyen Thi Thuy Van	0	0
	Person in charge of information disclosure	Nguyen Thi Thuy Van	0	0
Person in charge of corporate governance	Nguyen Thi Thuy Van	0	0	

According to the list of shareholders as of April 11, 2023, and the share transaction result report of insiders.

TRANSACTIONS OF AAA SHARES OF INSIDERS AND THEIR RELATED PARTIES

Insider	Relationship with insider/ major shareholder	Transaction time	No of AAA shares owned before the transaction		No of AAA shares owned after the transaction		Reason for transactions
			No of shares	Ownership ratio	No of shares	Ownership ratio	
An Phat Holdings JSC	Parent company, Related Person of Insider	27/06/2023	201.787.394	52,79%	191.787.394	50,17%	Sell 10.000.000 shares
Tran Thuan Thi	Deputy General Director	20/09/2023	500.000	0,13%	200.000	0,05%	Sell 300.000 shares
Ms Hoa Thu Ha Thi	Deputy General Director	04/04/2024	1.000.000	0,26%	0	0%	Sell 1.000.000 shares
Nguyen Tien Thi	BOD Member	04/04/2024	1.000.000	0,26%	0	0%	Sell 1.000.000 shares

¹ According to the report on transaction result of An Phat Holdings JSC dated 28/06/2023.

² According to the report on transaction result of Tran Thi Thuan dated 21/09/2023



ACTIVITIES OF THE BOARD OF DIRECTORS

MEMBERS AND STRUCTURE

The BOD composes of 05 members including 03 non-executive members, 03 executive members, 01 independent member. The composition of the Board complies with the Company's Charter and applicable regulations and laws.

No.	Name	Position	Note	As BOD member in other companies
1	Nguyen Le Thang Long	Chairman	Non-executive	<p>04 companies namely:</p> <ul style="list-style-type: none"> • 11/2019 until now: Member of the Board of Directors of Ankor Bioplastics Co., Ltd • January 2020 until now: Chairman of the Board of Directors of AnBio JSC • 01/2021 until now: Member of the Board of Directors cum General Director of PBAT An Phat JSC • January 2021 until now: Member of the Board of Directors cum Deputy General Director of An Phat Holdings JSC
2	Nguyen Thi Tien	Member	Non-executive	<p>01 company namely:</p> <ul style="list-style-type: none"> • 02/2023 until now: Permanent Vice Chairman of the Board of Directors and Permanent Deputy General Director of An Phat Holdings JSC
3	Hoa Thi Thu Ha	Member	Executive	<p>01 company namely:</p> <ul style="list-style-type: none"> • 06/2020 until now: Member of the Board of Directors of Hanoi Plastics JSC
4	Tran Thi Thuan	Member	Executive	None
5	Phan Tri Nghia	Member	Independent	<p>03 companies namely:</p> <ul style="list-style-type: none"> • 5/2020 until now: Chairman of the Board of Directors - Director of Song La Xanh Packaging Joint Stock Company • 5/2020 until now: Chairman of the Board of Directors of Dong A Mineral Joint Stock Company • 5/2020 until now: Chairman of the Board of Directors of Asia Plastics Industry Joint Stock Company

ACTIVITIES OF BOD IN 2023

The Board of Directors elected by the General Meeting of Shareholders (GMS) is the highest governing body of the Company, possessing full authority to represent the GMS in deciding and implementing issues related to the Company's objectives and interests, except for matters within the authority of the GMS.

In 2023, the Board of Directors (BOD) has effectively fulfilled its leadership role in guiding, establishing objectives, directions, strategies, and the business plan for 2023, focusing on flexible adaptation and increasing benefits for shareholders. It ensures the harmonization of interests among stakeholders, enhances efficiency in corporate governance and operation, builds and promotes corporate culture, and harnesses the collective strength of the team.

IMPLEMENTATION RESULTS OF THE AGM' RESOLUTIONS FOR 2023

Achieved 101% of revenue plan and 62% of profit plan

In 2023, consolidated revenue and after-tax profit reached 12,622 billion VND and 309 billion VND respectively, marking a 17% decrease and a 164% increase compared to 2022's. These figures represent achieving 101% of the revenue plan and 62% of the profit plan. Consolidated gross profit for 2023 was 1,109 billion VND, a 2% increase from 2022, with the gross profit margin rising from 7.1% in 2022 to 8.8% in 2023. This improvement was primarily due to increased sales volumes of packaging and additive plastic pellets, alongside more stable resin prices compared to 2022, thereby enhancing the gross profit margin in the commercial segment over the previous year.

After-tax profit in 2023 increased due to growth in the packaging and additive plastic pellet manufacturing segment, along with profitable outcomes in the commercial segment driven by stabilized resin prices throughout the year and reduced selling expenses. The profit target was not fully met for the year due to the industrial park AP1 recording annual revenue and profit instead of once. However, the progress of AP1's development remained on track, with as of December 31, 2023, unearned sales from AP1 IP and An Phat Complex IP amounting to 1,614 billion VND.

Implemented profit distribution plan for 2022 according to the Annual General Meeting of Shareholders' resolution in 2023.

Signed an audit contract with Ernst and Young Vietnam Limited Liability Company for independent audit of the 2023 financial statements.

Conducted payment of remuneration to the BOD and the BOS as approved at the Annual General Meeting of Shareholders.

Successfully completed the application for approval to adjust the investment policy of Factory No. 8, specifically adjusting the project name, project objectives, expanding the project scale, and increasing the total investment amount.



ORGANIZED REGULAR AND EXTRAORDINARY MEETINGS TO ASSESS THE COMPANY'S OPERATIONS AND DETERMINE ITS DEVELOPMENT DIRECTIONS.

In 2023, the BOD conducted 12 meetings to discuss, exchange views, reach consensus, and promptly provide directives for the company's operations. These meetings were conducted to comply with the provisions of the Enterprise Law and the company's charter. This proactive approach facilitated thorough discussions and effective decision-making in guiding the company's activities throughout the year.

All board members attended these meetings directly, achieving a 100% attendance rate. The BOD ensured compliance with the Enterprise Law and the company's charter in organizing these meetings.

ATTENDANCE RATE OF THE BOARD OF DIRECTORS MEETINGS

No.	Name	Position	Working period start date	Dismissal date	Number of meetings attended	Attendance rate
1	Nguyen Le Thang Long	Chairman (Non-executive member)	29/06/2021		12/12	100%
2	Nguyen Thi Tien	Member of BOD (Non-executive member)	05/02/2021		12/12	100%
3	Hoa Thi Thu Ha	Member of BOD and DCEO (Executive member)	15/05/2023		5/5	100%
4	Tran Thi Thuan	Member of BOD and DCEO (Executive member)	05/02/2021		12/12	100%
5	Phan Tri Nghia	Member of BOD (Independent member)	20/06/2022		12/12	100%
6	Dinh Xuan Cuong	Member of BOD (Non-executive member)	08/02/2018	15/05/2023	7/7	100%

In the year, the Board of Directors issued 12 resolutions, closely guiding the implementation of resolutions from the AGM in 2023.

These resolutions, unanimously decided upon during board meetings, provided crucial directions that enabled the company's management to effectively carry out its business objectives for 2023.

THE RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS IN 2023

No	Resolution No.	Date	Content	Approved ratio
1	270102/2023/NQ - HĐQT	27/01/2023	Acceptance of Mr. Đinh Xuân Cường's resignation from the Board of Directors	100%
2	300102/2023/NQ - HĐQT	30/01/2023	Acquisition of shares in An Phat PBAT Joint Stock Company (PBAT)	100%
3	010202/2023/NQ - HĐQT	01/02/2023	Approval of transactions between the Company and related parties arising in 2023	100%
4	210302/2023/NQ - HĐQT	21/03/2023	Convening the 2023 Annual General Meeting of Shareholders	100%
5	200402/2023/NQ - HĐQT	20/04/2023	Approval of the time, venue, and documents for the 2023 Annual General Meeting of Shareholders	100%
6	240401/2023/NQ - HĐQT	24/04/2023	Change of the person in charge of corporate governance and the authorized person for information disclosure	100%
7	120501/2023/NQ - HĐQT	12/05/2023	Adjustment and supplementation of documents for the 2023 Annual General Meeting of Shareholders	100%
8	3105/2023/NQ - HĐQT	31/05/2023	Dismissal of the Deputy General Director in charge of Production	100%
9	300602/2023/NQ - HĐQT	30/06/2023	Selection of the audit firm for the Company's 2023 financial statements	100%
10	290902/2023/NQ - HĐQT	29/09/2023	Appointment of the Deputy General Director in charge of Production	100%
11	1311/2023/NQ - HĐQT	13/11/2023	Acquisition of shares of An Phat 1 High-Tech Industrial Park Joint Stock Company	100%
12	261202/2023/NQ - HĐQT	26/12/2023	Dismissal of Deputy General Director in charge of Business Development	100%

In addition to regular and extraordinary meetings, the Board of Directors frequently organized weekly and monthly meetings to evaluate the performance of each member of the Board of Directors and oversee the supervision. The Resolutions and Decisions issued by the Board of Directors were based on the consensus of its members.

Supervising and evaluating the BOM and other managers' performance

Pursuant to the Company's Charter and internal regulations on corporate governance, The Board of Directors closely monitored daily activities of the Company; supervising the Board of Management and other managers to implement resolutions of the Meeting of Shareholders and the Board of Directors; develop strategic orientation of investment projects; financial management, fundraising and use of capital, etc.... The Chairman of the Board of Directors gave the agenda of the Meetings and the Board of Management must prepare to present, discuss and be questioned at the meeting of the Board of Directors. At the meetings, the Board of Directors reviewed the implementation of the resolutions, quarterly and accumulated business results, discussed and issued necessary resolutions for the General Director and the Board of Management to follow.

With the achievements in 2023, the Board of Directors has discussed and evaluated the following: Against the backdrop of economic fluctuations and challenges stemming from political conflicts and policy responses to fight with inflation, the General Director and the BOM have strived to ensure continuous and effective business operations. They have also ensured job security for employees, responsibly managed business relations, and adhered to current legal regulations and the company's internal regulations.

ACTIVITIES OF THE INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

Mr. Phan Tri Nghia currently serves as an independent member of the Board of Directors of the Company. With over 20 years of experience in the industrial packaging sector and several years in management of listed companies, the independent Board member has been advising the Board on corporate governance issues and the development of the industrial packaging business.

Evaluation of the independent member of the BOD on the activities of the BOD

In 2023, the Board of Directors has made prompt decisions to respond to changes in business environment due to the volatility of the world situation.

The Board of Directors approved and promptly issued Resolutions/Decisions in accordance with its authority to adjust the Company's business and governance activities, and at the same time, the Board of Directors also promptly directed and closely monitored closely the activities of the Board of Management in the implementation of the goals, strategies and business plans.

POLICY ON PROFESSIONAL TRAINING FOR MEMBERS OF THE BOARD OF DIRECTORS

Policy on professional training for members of the Board of Directors

AAA recognized the importance of the establishment of a professional, objective and effective Board of Directors who undertake the role of creation of profit and sustainable growth of the Company for the best interests of shareholders. Therefore, the policy for professional training for BOD members was developed by the Board of Directors, supporting existing BOD members and new members to effectively perform their roles.

The orientation program for new BOD members covers important corporate governance topics (including the Code of Corporate Governance), an introduction to the company's business operations, the company's charter, and Cultural Integration (9G, 9T, Gen An Phat, Code of Business Ethics).

Key points of this policy could be namely as follows:

- Organize annual internal training programs on corporate governance, information disclosure, risk management, internal audit... and related fields for the BOD, BOS, BOM, proactively update with changes in legislation and good practices.
- Encourage BOD members to participate in professional training programs organized by the State Securities Commission, Stock Exchange, financial institutions, associations, educational institutions, etc..
- Members of the Board of Directors should have the attitude to enhance knowledge, skills, and expertise in order to increase efficiency the performance of the Board of Directors and maintain the standards of the members of the Board of Directors.
- All members of the Board of Directors need to participate in at least one board member training program or corporate governance of a reputable professional organization to ensure understanding of corporate governance as well as make efforts to keep up with the latest trends and requirements in governance.
- Enhancement of the capacity of the Board of Directors as well as adoption of good corporate governance practices will help reduce the vulnerability of the company, strengthening shareholder ownership, lowering the cost of capital.

Training activities for the Board of Directors in 2023

During the year the Company organized a training course on corporate governance and information disclosure with the participation of members of the Board of Directors, Supervisory Board, BOM and senior managers. The company invited experts in corporate governance, law, etc. to organize training and update knowledge for the Board of Directors, the Board of Directors, and the Board of Supervisors. Courses and training sessions were well attended in accordance with regulations on corporate governance. In addition, the Board of Directors also arranged and sent representatives to attend training courses organized by governing bodies to improve the Company's compliance with regulations and laws.



ORIENTATION OF THE BOARD OF DIRECTORS' ACTIVITIES IN 2024

Based on the company's development strategy and the business targets for 2024, the Board of Directors will ensure effective functioning while continuing to enhance operational efficiency. The BOD will strengthen oversight of the BOM in implementing resolutions of the General Meeting of Shareholders and to ensure efficient operations in compliance with legal regulations, balancing economic efficiency with sustainable development goals. Additionally, the BOD will strive to improve corporate management capabilities, aiming to maximize operational efficiency and enterprise value through adherence to best practices. Key tasks of the BOD in 2024 include:

- Monitoring the implementation of the development strategy and providing timely directives to the BOM as per the current circumstances.
- Supervising the execution of GMS resolutions for 2024 and BOD resolutions throughout the year.
- Enhancing the company's management capacity through the application of best practices, aligning economic development objectives with sustainable growth targets.
- Directing efforts to strengthen workforce training aligned with succession planning to enhance personnel quality and prepare future leadership.
- Monitoring the integrity of the accounting and financial reporting system, including independent audits, and ensuring effective financial control and risk management systems in compliance with legal standards.

ACTIVITIES OF BOARD OF SUPERVISORS

COMPOSITION OF BOARD OF SUPERVISORS

AAA's Board of Supervisors consists of 03 members, elected by the Meeting of Shareholders and operating independently with the Board of Directors and the Board of Management. Currently, all members of the Board of Supervisors are independent members, holding no executive position at the Company to maintain full independence and objectivity in inspection, supervision and consultation activities regarding risk management, corporate governance, and compliance with accounting standards. The members of the Board of Supervisors of the Company all have years of experience in accounting and auditing.

No.	Name	Position	Appointment time
1	Nguyen Thi Giang	Head	June 2022
2	Nguyen Thi Phuong	Member	June 2022
3	Van Thi Lan Anh	Member	June 2022

SUMMARY OF MEETINGS OF THE BOARD OF SUPERVISORS IN 2022

MEETINGS OF BOARD OF SUPERVISORS

In 2023, the Board of Supervisors have held 04 ordinary meetings. Details of meetings and attendance rate are as follows:

Attendance rate

No.	Name	Position	Appointment date	Number of attended meetings	Proportion
1	Ms. Nguyen Thi Giang	Head	19/3/2016	4/4	100%
2	Ms. Van Thi Lan Anh	Member	16/4/2019	4/4	100%
3	Ms. Nguyen Thi Phuong	Member	08/2/2018	4/4	100%



Key issues and results of meetings:

Date	Attendance rate	Contents	Results
23/03/2023	3/3	<p>Review of the Business Operations Report and Audit Financial Statements for 2022:</p> <p>Approval of the Business Operations Report by the Board of Supervisors for 2022 to be Presented at the 2023 Annual General Meeting.</p> <p>Evaluation Report on the Management and Operations Oversight of the Board of Directors to be Presented at the 2023 Annual General Meeting.</p> <p>Selection of the Audit Firm to Conduct the Audit of the Financial Statements for 2023.</p>	<p>The financial statements recorded fully, objectively, truthfully, and accurately the actual circumstances of the Company.</p> <p>Resolutions and recommendations were implemented in accordance with authorities of the BOD, the necessary documents for financial statements were accurately and well prepared.</p>
23/07/2023	3/3	<p>Reviewing the implementation of Resolutions of AGM and BOD in 2nd quarter.</p> <p>Supervising processes and compliance with regulations related to information disclosure.</p>	<p>The departments, divisions and subsidiaries completed the Resolutions of the BOD issued in 2nd quarter.</p> <p>Assessing implementation results and setting out the plan for supervision and assessment in the second half of the year;</p>
23/09/2023	3/3	<p>Internal discussion on inspection and supervision plans in the second half of 2023.</p> <p>Reporting on the results of supervision, examination of accounting and preparation of financial statements.</p>	<p>Accounting activities were adequate and faithful. The data reflected rationality, legality, and compliance with the law. Quarterly, semi-annual, and annual financial statements including balance sheet, income statement and cash flow statement were prepared with full objectivity, honesty to the actual business activities of the Company.</p>
27/12/2023	3/3	<p>Reviewing resolutions issued by the BOD in the 3rd and 4th quarters and evaluating the results of implementation.</p> <p>Reporting the results of assessment on compliance of laws regarding to taxes, wages, welfare, health insurance, social insurance, dividends payment, etc...</p>	<p>Relating departments strictly implemented the decisions of the Board of Directors.</p> <p>Regulations of taxes, salary, bonus, health insurance and social insurance policies for employees and dividends for shareholders were fully complied with, promptly, and thoroughly.</p>

ACTIVITIES OF THE BOARD OF SUPERVISORS

RESULTS OF THE SUPERVISION OF THE IMPLEMENTATION OF THE AGM 2023 RESOLUTIONS

- Fulfillment of the Company's business targets: In 2023, consolidated net revenue and profit after tax reached VND 12,622 billion and VND 309 billion, respectively, achieving 101% of the revenue target and 62% of the profit target.
- Coordinating with the BOD to select EY as an independent auditor to audit the financial statements of the Company and its subsidiaries.
- Distributing profits as approved by the AGM.
- Receiving remunerations as approved by the AGM.
- Conducting the share offering as approved by the AGM
- Completion of the application for the adjustment of the investment policy for Factory No. 8, specifically: adjustment of the project name, project objectives, expansion of the project scale, and increase in the total project investment.

RESULTS OF SUPERVISION OF THE BOD AND THE BOM

- The Board of Directors closely monitored the activities of the Board of Management in operation, supervising the implementation of the Resolutions set by the Meeting of Shareholders and implementing all resolutions of the Meeting of Shareholders.
- In 2023, the Board of Directors held 12 meetings and issued 12 resolutions under the authority of the Board. The meetings of the Board of Directors had attendance rates in accordance with governing regulations and laws. The number of meetings of the BOD was in accordance with the provisions of the Company's charter.
- The BOD promulgated their resolutions promptly after obtaining the vote counting results. The resolutions of the BOD were issued in accordance with the authority of the BOD and in line with the Resolutions of the Meeting of Shareholders and fully complying with the enterprise law and other provisions of law.
- The Board of Directors made coordination with the Board of Supervisors: The Board of Directors created favourable conditions for the Board of Supervisors to fulfil their duties. The Board of Supervisors were provided with resolutions and minutes of voting of the Board of Directors.
- Any critical issues of the Company were under written approval of the Board of Directors; the election of members of the BOD were approved by the Meeting of Shareholders in accordance with applicable laws and regulations.
- With close and prompt guidance of the BOD, in 2023, the BOM was proactive, creative, and endeavoured to bring up solutions and overcome difficulties, making efforts to complete the business plan in 2023 assigned by the AGM and resolutions of the BOD. The BOM fulfilled its role in managing the Company's business operations under the directions of the BOD.

SUPERVISING COMPLIANCE WITH GOVERNING REGULATIONS AND LAWS ON INFORMATION DISCLOSURE

- The Company fully complied with regulations on information disclosure for listed companies on the Ho Chi Minh Stock Exchange and the State Securities Commission of Vietnam. Insiders fully complied with regulations on information disclosure when trading AAA shares.
- Separate and consolidated financial statements were published timely.

RESULTS OF FINANCIAL STATEMENTS AND BUSINESS RESULTS EVALUATION

• Preparing and auditing financial statements

The consolidated and separate financial statements of the Company were prepared in accordance with appropriate and consistent accounting policies. Assessments and evaluations were conducted logically and in compliance with the Vietnamese Accounting Standards. The annual separate and consolidated financial statements of 2023 were audited by Ersnt & Young Auditing Co., Ltd. and there were no qualified opinions of the auditors.

The separate and consolidated financial statements 2023 reflected faithfully and rationally on all aspects of the Company's separate and consolidated financial position as of December 31, 2023, the separate and consolidated financial performance and cashflow statements for the fiscal year ended on the same day.

• Business results:

The Board of Supervisors agreed on the figures presented in the Company's separate and consolidated financial statements in 2023 which were audited by Ersnt & Young.

The Board of Supervisors controlled all contracts and transactions of the Company including transaction contracts with related parties related to purchases and sales of goods, services. These transactions did not violate the Charter, regulations, and laws and did not cause damage to the Company.



TRANSACTIONS, REMUNERATION AND OTHER BENEFITS FOR THE BOD, BOS AND BOM IN 2023

TRANSACTION WITH THE BOD, BOS AND BOM

Please refer to the audited financial statements.

REMUNERATION FOR THE BOD, BOS AND BOM IN 2023

REMUNERATION POLICY

Monthly remuneration for the Board of Directors, Board of Supervisors, and Board of Management complies with the governing laws, the Company's Charter and the compensation and benefits policy as approved by the Annual Meeting of Shareholders.

REMUNERATION AND OTHER BENEFITS FOR THE BOD, BOM AND BOS 2023

The total remuneration of the BOD, BOM and BOS of the Company approved by the Annual Meeting of Shareholders as follows:

Item	Approved monthly remuneration (VND/person)
I. Remuneration for the BOD	
1. Chairman of the Board	15,000,000
2. Other members	10,000,000
II. Remuneration for the BOS	
1. Head of the Board	10,000,000
2. Other members	6,000,000

Please refer to the consolidated financial statements for information on the total income of members of the Board of Directors, Board of Management and remuneration of the Board of Supervisors during the year. Remuneration of the Board of Directors, Board of Supervisors in 2023 was in accordance with the level that the AGM approved. Board of Management had salary and bonus as agreed in the labor contract and has no remuneration regime.

OTHER BENEFITS FOR MEMBERS OF THE BOD, BOS AND BOM

In addition to salaries and remuneration, members of the Board of Directors; the Board of Supervisors and the Board of Management also have other benefits such as:

- Periodic health check package: The Board of Directors, Board of Management and Board of Supervisors and their family get periodic health checks twice a year with the special health examination package at the VIP 12. The medical examination fee is paid by the Company on actual expenses.
- Health insurance: In addition to the insurance regimes in accordance with the law, the Board of Directors, Board of Management and Board of Supervisors have the Health Insurance package for themselves, and their families paid by the Company.
- Mobile phone allowance: mobile phone charges of the Board of Directors, Board of Management and Board of Supervisors are paid by the Company based on actual costs.
- Travel allowance: Board of Directors, Board of Management and Board of Supervisors are allowed to use business class for business trips by plane and get airport shuttle and traveling by car during business trip. The Board of Directors, Board of Management and Board of Supervisors are refunded actual expenses related to the work.

EVALUATING THE ACTIVITIES OF THE BOS IN 2023

Advantages:

- The members of BOS maintained independence and objectivity in performing their duties and complied with the laws in supervising the Company's activities.
- The BOS effectively coordinated with the BOD, the BOM and relating departments to fulfil the Board's functions and duties, supervising operation of the Company, managing risks, proposing solutions to ensure the Company's law-abiding and efficient operation.

Limitations:

- As the number of Board of Supervisors members is limited, the scope of work is large, the extent of the supervising activities has not been performed thoroughly in some issues.

RECOMMENDATION OF THE BOS IN 2024

- To improve the Company's corporate governance and risk management system in accordance with international practices.
- To coordinate with the Finance and Accounting Department to work more closely with the auditing and tax advisory partners to improve the efficiency of financial and accounting tasks.

INVESTOR RELATION ACTIVITIES

IR POLICY

IR activities are intended to protecting rights and interests of shareholders including fulfilments of responsibilities for shareholders, information transparency and equality in treatments to shareholders.

IR OBJECTIVES

- **Ensuring the reliability of financial data provided**
 - Preparation of financial statements according to VAS standards;
 - Reviewing semi-annual and auditing annual financial statements.
- **Ensuring timeliness, transparency, and fairness in information disclosure**
 - Adequately and promptly disclosing information in accordance with applicable laws and regulations;
 - Timely disclosing critical information that may affect the interests of investors;
 - Ensuring to provide information for domestic and foreign investors on the website in both English and Vietnamese version.
- **Proactively interacting with shareholders**
 - Enhancing interaction and communication with shareholders and investors;
 - Diversifying communication platform;
 - Promptly addressing concerns of investors.

ENSURING THE RELIABILITY OF FINANCIAL DATA PROVIDED

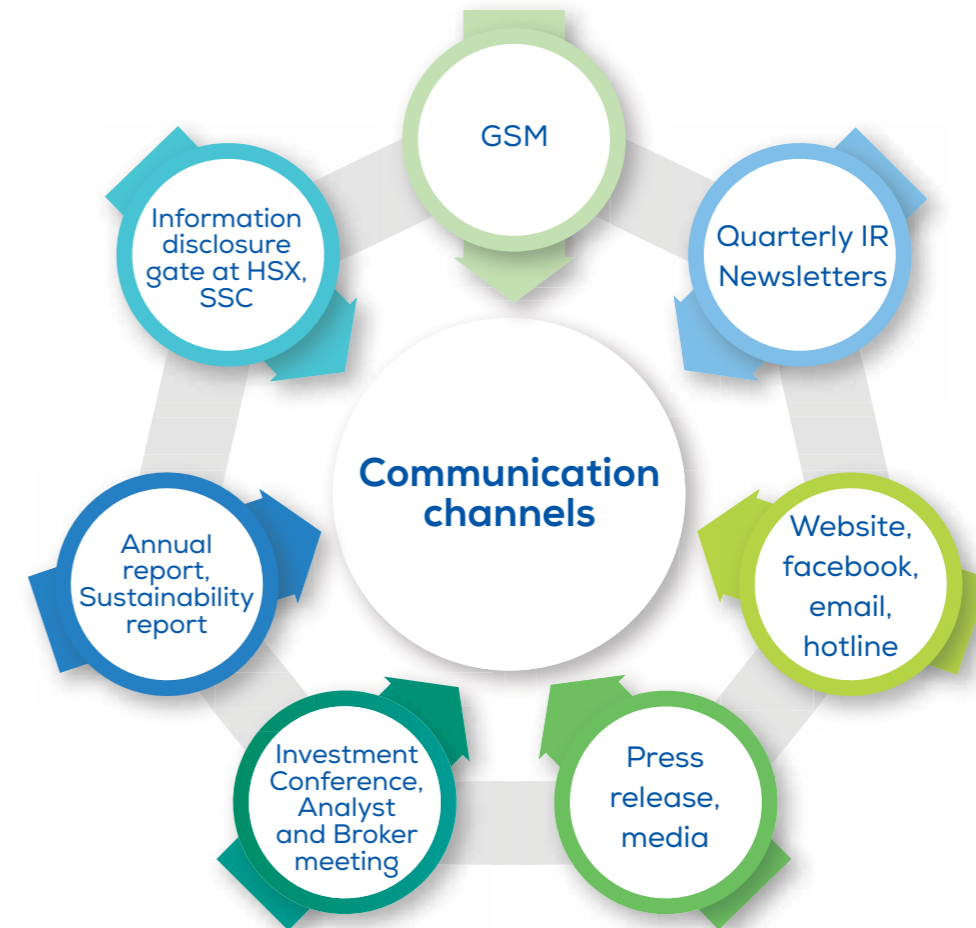
AAA maintains the review of semi-annual financial statements and auditing annual financial statements. In 2023, the review and audit of financial statements were performed by Ernst and Young Vietnam Ltd. The financial statements comply with Vietnamese Accounting Standards (VAS), without qualified opinion of the auditor.

ENSURING TIMELINESS, TRANSPARENCY, AND FAIRNESS IN INFORMATION DISCLOSURE

AAA ensures the integrity, transparency, and consistency in providing information to shareholders, investors, and other stakeholders, ensuring all shareholders are treated equally, regardless of whether they are individual or institutional investors, domestic or foreign. The policy of protecting shareholder rights and ensuring equality between major shareholders and minority shareholders are reflected by the identical information provided to all shareholders, including information on dividends, stock issue, Meeting of Shareholders, creating favourable conditions for shareholders to exercise voting rights...

Information on the Company's operations and financial position is updated promptly through the website www.anphatbioplastics.com, the Investor Relations section in both English and Vietnamese versions. AAA complies with disclosure requirements in accordance with applicable laws and regulations of the State Securities Commission of Vietnam and Ho Chi Minh Stock Exchange. In addition, the Company proactively updates the information that is considered important to investors, including but not limited to new products introduction, business strategies, production progresses, cooperation, R&D activities. In addition to information related to the Company, AAA's communication channels also aim to raise the awareness of investors and customers about environmental issues by adopting sustainability consumption habits and green lifestyles.

DIVERSIFY INFORMATION EXCHANGE PLATFORM AND INTERACTION WITH SHAREHOLDERS AND INVESTORS



Information plays a critical role in decision-making process, so AAA believes that providing adequate and timely information on the Company greatly assists investors in making decisions. In 2023, the Company has diversified information disclosure channels, and expanded interaction with shareholders and investors as follows:

- Regularly organize meetings with securities firms and investors to update business situation, business orientation and directly answer questions of interested parties;
- Arrange meetings and welcome domestic and foreign investors visiting the Company;
- Update quarterly IR Newsletters on business results posted on the website www.anphatBioplastics.com in both English and Vietnamese and emailing to shareholders;
- Investor relations team receive opinions and answer questions of investors and shareholders via email, telephones and mobile phones;
- Comply with information disclosure in accordance with regulations and laws;

RISK MANAGEMENT

Risk management has been considered a key factor to assure operational efficiency and sustainable growth of the business. At An Phat, ethics and compliance culture are identified as foundation of risk management.

Objectives of risk management:

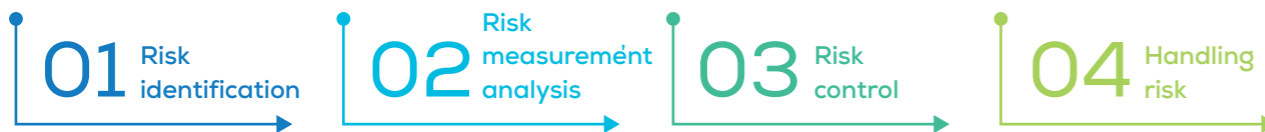
- Develop the framework to help the Company to implement future plans that are consistent and controllable;
- Strengthen capacity in making strategic decisions based on thorough and comprehensive understanding of business operations, business environment, opportunities and challenges of the Company;
- Contribute to efficient allocation and use of resources;
- Minimize errors in all aspects of the business;
- Protect and enhance assets as well as corporate image;
- Optimize operational efficiency.

Compliance culture as a foundation of risk management

A particular feature of the Company’s risk management is that professional ethics and compliance culture are defined as core foundation of risk management. When professional ethics and compliance culture are enforced as well as risk management thinking is imbued, the effectiveness of risk management system will be maintained. Under the guidance of the Board of Directors and the Board of Management, communications are conducted in different ways to raise the awareness of all employees regarding policies, regulations, and benefits of compliance regarding what to do or what should be avoided. Every employee understands risks that may arise and measures to control risks, enabling sustainable growth and achievement of strategic objectives of the Company.

AAA strictly adheres to legal regulations and always aims to apply international standards in the formulation of risk management structures and policies. The Board of Directors and the Board of Management increase the use of technology in management, close cohesion among departments to improve efficiency in compliance and risk management, as a premise to deploy long-term strategy of the Company.

RISK MANAGEMENT PROCESS



RISK IDENTIFICATION, ANALYSIS, AND METHODS OF MANAGEMENT

Risk	Level of risk	Trend	Description	Controlling measures
Strategy risk	Low	Stable	The business strategy is out of date and does not follow market trends or long-term development goals. In the context of changing customers preference towards green alternatives, sales of traditional plastics bags may decline.	<ul style="list-style-type: none"> • The company establishes a medium and long-term green transformation strategy through switching product mix towards biodegradable ones and changing consumption habits of society. Also, the Company communicates the vision and business strategy across all departments so that all employees can see their roles and positions in the journey to realize the company’s business goals. • The company allocates necessary resources such as human resources to research, develop and expand green products, financial resources to invest in completing the value chain. Also, the Company monitors the progress of the implementation of the goals.
Market risk	Low	Decline	<ul style="list-style-type: none"> • Increasing competition and lower market share. Competition among plastic packaging enterprises is quite fierce, due to the large number of manufacturers and little differences among products. • 4.0 Industrial revolution has made strong impact on businesses in many areas by increasing automation, competition pressures, higher consumers’ requirements; 	<ul style="list-style-type: none"> • The Company’s competitive advantage is over 20 years of experience in the industry which allows for loyal customer network for years. Also with experiences in exporting to demanding markets such as Japan, Europe has proved the Company’s reputation. Additionally, economy of scales creates advantages in production management and bargaining power with suppliers. AAA is also benefited from the ecosystem with subsidiaries in manufacturing and trading plastic materials, as well as logistics. • The company conducts periodical market research reports to timely capture market trends and forecast demand, product trends, and major fluctuations in the industry. Thanks to updated information, AAA develops appropriate response plan. • The company pioneers in the trend of green consumption of society through the development of biodegradable products. • Continuously encourage initiatives to improve production, increase automation and the application of high technology in production and management, improve labor productivity, product quality, and enhance competitive advantage.
Raw material risk	High	Increase	<ul style="list-style-type: none"> • Material prices fluctuations, affecting profit margins or interrupting production activities; • Lack or low quality of material supply interrupt production and lower product quality; 	<ul style="list-style-type: none"> • In the packaging production segment, the Company deploys a short-term policy, with the selling price is formulated on updated resin price thereby lowering the risk of raw materials price fluctuation. The company also effectively maintains inventory management following the production plan. In the trading segment, the profit decreases when the resin price . To control this risk, the • Develop a supplier network of leading chemical companies. At the same time, AAA takes advantage of the large-scale resin trading segment to secure the supply of high-quality raw materials at competitive prices. • Monitor commodity prices by Purchasing Department and report to the Board of Management to promptly develop response plan.

Risk	Level of risk	Trend	Description	Controlling measures
Human resource risk	Medium	Decrease	<ul style="list-style-type: none"> As the company operates in a labor intensive industry, lack of employees to meet the Company's development plans, high turnover rate leading to difficulties in organizing personnel to fulfil production plans. The quality of human resources does not meet the development requirements. 	<ul style="list-style-type: none"> Focus on human resource management to ensure high quality human resources with flexibility in organization, optimizing operating costs; Prepare recruitment plan for each period & establish backup team for important positions in production; Organize training for employees before putting into production & regularly organize working capacity tests; Develop training plans to organize training courses, send staff to study abroad; Build and foster stable and friendly working environment; set up good remuneration mechanism for employees.
Information security risk	Medium	Increase	The risk includes system disruption, information security issues, cybercriminal attacks that can affect the disclosure of business secrets, customer information, and disrupt the technology system. information that affects the operation of the system.	<ul style="list-style-type: none"> Take measures to ensure information security in both production and office area; Regularly update protection tools for the Company's information system. Organize training on information security, internet security for all employees.
Exchange rate risk	Medium	Decrease	Strong fluctuation of exchange rate affects the export and import activities, financial expenses of the Company.	<ul style="list-style-type: none"> The company has foreign currency revenue from exports, and also incurs expenses for buying raw materials and machinery in foreign currency. In order to mitigate exchange rate risk, the Company actively manage foreign currency balance. Also, the Company can borrow in foreign currency at competitive interest rates, further strengthening the supply of foreign currency . Closely monitor factors that may cause fluctuations in exchange rates including domestic and foreign economy and finance; Proactively minimise risks through adjusting timing of transactions, commercial credit terms, etc...; preparing import and export plans.

Risk	Level of risk	Trend	Description	Controlling measures
Interest rate risk	High	Increase	High interest rate may raise interest expenses, lowering profits of the Company.	<ul style="list-style-type: none"> Follow market movements including domestic and international financial and monetary markets; Utilize long-term loans with favourable interest rates and reasonable cash flow; Decrease leverage, enhance financial health, D/E ratio stayed at 0.5 times.
Political and legal risk	Low	Stable	<ul style="list-style-type: none"> Laws and legal documents, industry regulations, tax regulations are changing, complex, so any lack of understanding may lead to unintended of the Company; There may be a risk of litigation, disputes, and compensation if the company does not regularly update legal regulations 	<ul style="list-style-type: none"> Comply with regulations and policies; Regularly monitor and updating laws and policies regarding to each department; Legally review contracts and transactions
Environmental risk	Low	Stable	Pollution risks and spill incidents may cause negative impact to environment.	<ul style="list-style-type: none"> Comply with legal regulations on environmental activities; Comply with international environmental management standards such as ISO 14001; Perform control through regular reports to assess compliance and operational effectiveness.





REPORTS OF CORPORATE GOVERNANCE ACTIVITIES IN 2023

Corporate governance plays an important role in managing and controlling business activities, balancing the interests of stakeholders, thereby improving operational efficiency, and enhancing business value. Besides, corporate compliance enables AAA to enhance transparency, credibility, and confidence of the market, which fuels sustainable growth and sharpens competitive advantage. Therefore, AAA strives to improve corporate governance system, not only complying with regulations and laws in Vietnam but also proactively approaching international standards and practices.

FOUR PILLARS OF CORPORATE GOVERNANCE FRAMEWORK



The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 1: Establishing clear Roles, Responsibilities and Commitment of the Board			
1.1	The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities	The Board should adopt a separate Board charter that clearly defines its roles, responsibilities, and accountabilities; the Board charter should be disclosed on the company's website.	The roles, responsibilities and accountabilities of the AAA's BOD are defined in the company's charter and published on the company's website.
		The Board should review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures.	The BOD well implemented this content.
		The Board should monitor the effectiveness of the company's governance, environmental and social policies and practices, and adhere to applicable laws.	The BOD well implemented this content.
		The Board should embody high standards of business ethics and oversee the implementation of codes of conduct that engender a corporate culture of integrity.	The Code of conduct and genome of An Phat human were issued and implemented.
		The Board should assess the major risks facing the company and the steps taken by management to monitor and control such risks.	The BOD well implemented this content.
		The Board should oversee the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	The semi-annual financial statements are reviewed, and annual financial statements are audited by EY and PwC Vietnam. The BOD monitors and supervises risk management system, financial control and operations, ensuring compliance with laws and other standards.
		The Board should select, compensate, monitor and, when necessary, replace key executives and oversee their succession planning.	The BOD well implemented this content.
		The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities	The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities
		The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities	The Board should clearly define and disclose the full scope of its roles, responsibilities and accountabilities
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The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 1: Establishing clear Roles, Responsibilities and Commitment of the Board			
1.2	Board members should fully understand their fiduciary duties to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders, while taking into account the interest of the company's relevant stakeholders.	Board members should perform their duties in good faith and in the best interest of the company and all shareholders, avoiding all potential or actual conflicts of interest.	The BOD well implemented this content.
		Board members who are working within the structure of a group of companies: even though a company might be controlled by another entity, the duty of loyalty for a board member relates to the company and all its shareholders and not to the controlling entity of the group.	The BOD well implemented this content.
		Board members should exercise maximum care and prudence in the performance of their duties that may be expected from a good director in a similar situation and under similar circumstances.	The BOD well implemented this practice.
		Board members should fully understand the Board's roles and responsibilities as described in the law and company policies; and help ensure the Board is effectively discharging its roles and responsibilities.	The BOD well implemented this practice.
		Board members should inform themselves of applicable corporate governance and ethics requirements and ensure the company continuously acts in accordance with its policies on good governance and ethical conduct.	The BOD well implemented this practice.
		Board members should actively participate in overseeing the activities of the company, in discussions of respective BODies and make adequate efforts to obtain the information with regard to the discussed matters. Board members are expected to have reviewed all materials distributed to them prior to board meetings in order to be prepared for their contributions in the board room.	The BOD well implemented this practice.
		Each board member has a responsibility to attend all Board meetings of the Company during a year.	In 2023, the attendance of all members at all meetings was 100%.
		Unless required to do so by law, board members should not, during their membership on the Board or afterwards, disclose any information that they know or should know to be of a confidential nature and that came to their knowledge through their work at the company's Board. Board members should not use such confidential information for their personal benefit.	The BOD has well implemented this content, the members of BOD, BOM and other key positions have signed integrity contracts. Also, this practice is stipulated in the corporate governance regulations.
		If Board members resign or are unable to perform their functions, the Board should immediately take steps necessary to ensure substitution or replacement on the Board following best practices guidance and in accordance with current law and regulations.	In 2023, as Mr. Đinh Xuân Cuong submitted his resignation, the 2023 AGM dismissed him and elected Ms. Hoa Thi Thu Ha as a replacement. The procedures for dismissal and election of Board of Directors members are stipulated in the company's corporate governance regulations and company charter

The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 1: Establishing clear Roles, Responsibilities and Commitment of the Board			
1.3	Together with senior management, the Board should promote good corporate governance culture within the company and monitor its effectiveness at all time	The board of directors sits at the centre of the corporate governance system of the company and plays a critical oversight role.	This content is stipulated in the Company's charter and corporate governance regulations.
		The Board should ensure the company adopts its own corporate governance code that is based upon principles of transparency, accountability, responsibility, and fairness, in line with best practices and current regulations to demonstrate the company's commitment towards good corporate governance.	The BOD well implemented this content.
		To foster the confidence of shareholders, employees, investors, and the public, a corporate governance code should reach beyond compliance with established local legal and regulatory frameworks to embrace both nationally and internationally recognized corporate governance best practices.	AAA strives to improve its governance system, following best international practices.
		The Board should actively conduct a regular review of the corporate governance implementation of the company to ensure that there are clear lines of accountability for management throughout the organization.	The BOD well implemented this content.
		The Company should disclose its governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented. It is also good practice to disclose the company charter, board charters, corporate governance code and, where applicable, committees' structures and charters.	Corporate governance regulations of the Company are issued and published on the website.
1.4	The Board should be responsible for ensuring and adopting an effective succession planning program for directors, CEO and key executive management positions to ensure growth and a continued increase in the shareholders' value	The transfer of company leadership to highly competent and qualified individuals is the goal of succession planning. It is the Board's responsibility to implement a process to appoint competent, professional, honest and highly motivated management officers who can add value to the company.	AAA has developed and implemented training program for young leaders, nurturing a key team of successors with high competency and enthusiasm for the Company.
		A good succession plan is linked to the documented roles and responsibilities for each position, and should start in objectively identifying the key knowledge, skills, and abilities required for the position.	The BOD well implemented content.
		For any potential candidate identified, a professional development plan is defined to help the individuals prepare for the job (e.g., training to be taken and cross experience to be achieved).	The BOD well implemented content.
		Quá trình này nên được thực hiện một cách nhất quán và phù hợp với định hướng chiến lược của công ty.	The BOD well implemented content.

The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 2: Establishing a competent and professional board			
2.1	Collectively, the Board should possess a diversified and broad range of views, expertise, skills and competencies, sufficient to provide effective stewardship and oversight of the company	Board diversity is crucial because it allows the company to take advantage of a plurality of arguments and of a richer and more reliable decision-making process.	AAA's BOD ensures diversity in knowledge, experience, gender and age.
		The composition of the board of directors must consider diversity of knowledge, experiences, behaviours, cultural aspects, age and gender.	AAA's BOD ensures diversity in knowledge, experience, gender and age.
		The Board must ensure that the executive management defines and promotes policies that provide equal opportunities for women to access high leadership positions within the organization.	There are 3/5 of AAA's BOD and 3 out of 5 BOM members are female.
		The Board should develop Board skills matrix with a description of the role and capabilities required for Board appointments, including factors such as independence, diversity, age, gender, future succession planning, integrity, skills, expertise, breadth of experience, knowledge about the company's business and industry, and willingness to devote adequate time and effort to Board responsibilities in the context of the existing composition and needs of the Board and its committees.	The BOD well implemented this content.
		The Board, with assistance of nomination committee, should select and recommend director nominees for election by shareholders. The nomination committee of the Board should oversee the development and implementation of the formal board nomination process. The Board should disclose the process in appointing new directors, and the criteria used to select new directors.	The process of appointing new members of the BOD and criteria to select members of the Board are clearly specified in the Company's charter and published on the Company's website.
		All shareholders should have the opportunity to nominate candidates to the Board of Directors. The shareholders owning at least 5 (five) percent of company's shares should be provided with a right to propose nominees. The shareholders owning less than 5 (five) percent of company's voting shares should be provided with the opportunity to propose nominees. The deadlines for nominee director proposals, procedures for considering them and including into the agenda should be determined in the Board charter.	The Company's charter stated that a shareholder or group of shareholders owning 10% of the total voting shares have the right to nominate members of the Board.
		An odd number of Board members between five and eleven is recommended. This number may vary according to the company's industry, size, complexity, as well as where it is in its life cycle, and whether what committees need to be created.	The AAA's BOD currently has 5 members.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 2: Establishing a competent and professional board			
2.2	The Board should be composed of at least two-thirds of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balance	The right combination of executive directors and non-executive directors (NEDs), which include independent directors (see Principle 3), ensures that no director or small group of directors can dominate the decision-making process.	AAA BOD has 3 non-executive members, 1/5 independent member, which is in accordance with law and regulations.
		Further, a board composed of at least two-thirds NEDs assures protection of the company's interest over the interest of the individual shareholders.	There are 3 out of 5 members who are non-executive members.
2.3	The Board shall appoint a professionally qualified Corporate Secretary who is accountable directly to the Board of Directors on all matters to do with the proper functioning of the Board	The company determines the qualifications of the NEDs that enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.	According to the Company's charter, non-executive members of the Board of Directors must meet the following criteria and conditions: - Fully meeting criteria for being a member of the Board of Directors in accordance with the law and the company's charter; - Not being the General Director, Deputy General Director, Chief Accountant and other managers appointed by the Board of Directors.
		The modern Corporate Secretary is normally a senior management position of the company and is now expected to provide professional guidance to shareholders, boards, individual directors, management, and other stakeholders on the governance aspects of strategic decisions.	AAA has appointed Ms. Nguyen Thi Thuy Van to be in charge of corporate governance and corporate secretary, advising the BOD, BOM and other relevant stakeholders on corporate governance issues.
2.3	The Board shall appoint a professionally qualified Corporate Secretary who is accountable directly to the Board of Directors on all matters to do with the proper functioning of the Board	The Corporate Secretary typically would act as a bridge for information, communication, advice, and arbitration between the board and management. The Corporate Secretary would also act as a bridge between the company and its shareholders and stakeholders, however in big companies this is the job of an "investor relations officer".	AAA effectively implemented this content.
		The roles and responsibilities of a Corporate Secretary include, but are not limited to the following:	Ms. Nguyen Thi Thuy Van was appointed to the position of Corporate Governance Officer on April 24, 2023, replacing Ms. Pham Thi Dung.

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THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 2: Establishing a competent and professional board			
2.3	The Board shall appoint a professionally qualified Corporate Secretary who is accountable directly to the Board of Directors on all matters to do with the proper functioning of the Board	a. Manage all board and committee meeting logistics, attend and record	Ms. Nguyen Thi Thuy Van was appointed to the position of Corporate Governance Officer on April 24, 2023, replacing Ms. Pham Thi Dung.
		b. Minutes of all board and committee meetings and facilitate board communications;	
		c. Advise the board and board committees on its roles and responsibilities;	
		d. Facilitate the orientation of new directors and assist in director training and development	
		e. Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements;	
		f. Manage processes pertaining to the annual shareholder meeting;	
		g. Monitor corporate governance developments and assist the board in applying governance practices to meet the board's needs and stakeholders' expectations; and	
		h. Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.	
		To carry out his/her role effectively, a corporate secretary needs to act with the highest integrity and independence in protecting the interests of the company, its shareholders, and others with a legitimate interest in the company's affairs. This level of responsibility calls for a thorough knowledge of the business environment in which the company operates as well as of the laws, rules, and regulations that govern its activities. The Corporate Secretary should undertake continuous professional development and maintain neutrality and objectivity in supporting the Board and relevant BODies in its work.	AAA's corporate secretary has well implemented this content.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 2: Establishing a competent and professional board			
2.4	The Company should provide in its Board Charter and Corporate Governance Regulations a policy on the continuing development of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors	All directors should be properly oriented upon joining the board to ensure that new members are appropriately apprised of their duties and responsibilities before beginning their directorships.	The BOD well implemented this content.
		The orientation program shall be developed by the Board (with support of its relevant committee or the Corporate Secretary) and covers key corporate governance topics (including this Code) and an introduction to the company's business, its Charter and Code of Conduct. It should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions.	The BOD considers the necessity for corporate governance training for members of BOD, BOM, and other senior managers, thereby consulting the secretary of the company on the content and training partners. During the year, the Company invited legal consultants and experts with many years of experience in implementing business management training programs for the BOD, BOM and senior managers of enterprises.
		Board members should have the necessary resources and network to develop and maintain their knowledge, skills, and expertise to help promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities.	The BOD well implemented this content.
		All directors should attend at least one corporate governance or director training program organized by an accredited and professional organization to ensure they understand key principles of good corporate governance and strive to update themselves annually with the latest governance trends and requirements.	The Company cooperates with legal consultants and experts in deploying training programs on corporate governance for the BOD, BOM and senior management. Consultants also promptly update the latest amendments and trends in corporate governance for the BOD.
		The Company should disclose within the Corporate Governance Section of their annual reports the policies and practices of professional development and training for board members, both as part of the onboarding process and on an ongoing basis.	From 2022, AAA conducted information disclosure on this topic.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 3: Ensuring effective board leadership and independence			
3.1	Once elected, all board members have a responsibility to the company, regardless of the shareholders, shareholder group, administrator or stakeholder who appointed them to the position	Board members must perform their duties based on technical knowledge, with full objectivity and without the influence of any personal or professional relationships. They must create and preserve value for the organization as a whole, within the appropriate legal and ethical guidelines.	The BOD well implemented this content.
		Board members who are conflicted on a particular matter must refrain from participating in the discussion and the decision on that specific issue. Board members who feel they can no longer maintain an appropriate level of objectivity in discharging their duties due to improper pressure or influence, should resign from the board if they cannot otherwise mitigate the issue.	The BOD well implemented this content.
		Board members should not serve as paid consultants or advisors to the company.	The BOD well implemented this content.
3.2	To promote independent judgment by all board members and the integrity of the governance system, boards should have at least one-third independent directors	The presence of independent directors in the Board ensures the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflicts of interests and balancing of competing demands of the corporation.	Mr Pham Tri Nghia is the independent member.
		There is increasing global recognition that the presence of independent directors on the Board will help ensure more objective decision-making, particularly in conflict of interest situations.	Mr Pham Tri Nghia is the independent member.
		In addition, experts have recognized that there are varying opinions on the optimal number of independent directors in the Board. However, the ideal number ranges from one-third to a substantial majority.	Mr Pham Tri Nghia is the independent member. One out of five members of BOD is independent member, which is in accordance with regulations and laws.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 3: Ensuring effective board leadership and independence			
3.3	The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position	Independent directors need to possess a good general understanding of the industry they are in.	Mr. Phan Tri Nghia has years of experience in managing listed companies in the plastic packaging industry.
		It is worthy to note that independence and competence should go hand-in-hand.	Mr. Phan Tri Nghia has just been elected as an independent member of the Board of Directors since 6/2022. At the same time, he has years of experience in management and in the plastic packaging industry and thus fully capable to advise the Board of Directors.
		It is important that independent directors possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.	Mr. Phan Tri Nghia follows this practice.
		It is important that independent directors possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.	Currently, AAA does not have an audit committee.
3.4	The Board's independent directors should serve for a maximum cumulative term of nine years	Service in a board for a long duration may impair a director's ability to act independently and objectively. Hence, the tenure of an independent director is set to a cumulative term of nine years.	Mr. Phan Tri Nghia was elected as an independent member of the Board of Directors from 6/2022.
		After nine years, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director.	Mr. Phan Tri Nghia was elected as an independent member of the Board of Directors from 6/2022.
3.5	The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and CEO are held by one person	The Chairman of the Board and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. It is also recommended that the Chairman is an independent director.	Currently, Chairman of the Board is the non-executive member. CEO is not in Board of Directors
		In cases where the Chairman is not independent and where the roles of Chair and CEO are combined, putting in place proper mechanisms ensures independent views and perspectives. More importantly, it avoids the abuse of power and authority, and potential conflict of interest.	Currently, the Chairman of the Board of Directors is a non-executive member, the CEO is not the Chairman of the Board
		A suggested mechanism is the appointment of a strong "lead director" among the independent directors and it is also recommended that boards are comprised of majority of independent directors where the Chairman is not independent.	Currently, AAA has 1/5 independent members, 3/5 non-executive members.
		This lead director has sufficient authority to lead the Board in cases where the remaining directors (including the dual Chairman-CEO) have clear conflicts of interest.	The BOD well implemented this content.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 4: Establishing board committees			
4.1	The Board should set up an audit committee and ensure that it has adequate resources and authorities. The audit committee should ensure that proper internal controls are maintained and the company is in compliance with all relevant laws and regulations	The Board should create an audit committee which should be composed of minimum three Board members, all non-executives and a majority of whom, including the committee chair, should be independent.	AAA has not established committees of the BOD yet.
		The committee should have collective knowledge in terms of internal audit, IFRS and VAS accounting, compliance, financial reporting and control. The chair of the audit committee should have financial expertise and be an independent director.	AAA has not established committees of the BOD yet.
		The role and responsibilities of audit committee should be covered in separate charter which should be adopted by the Board and disclosed at company's website. The authorities, composition and working procedures specified in audit committee charter should be developed as a practical benchmark, against which performance of the audit committee would be evaluated.	AAA has not established committees of the BOD yet.
		The primary responsibilities of the audit committee are to:	
		i. Oversee the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance;	
		ii. Review the company's internal financial controls, internal control and risk management systems;	
		iii. Review related party transactions which meet the Board or shareholders' meeting approval threshold and make a recommendation on these transactions to the Board or shareholders for approval;	
		iv. Oversee the company's internal audit function;	AAA has not established committees of the BOD yet.
v. Recommend the appointment, remuneration and terms of engagement of the external auditor for the Board's review and approval (before submitting to the AGM for final approval);			
vi. Monitor and review the external auditors' independence and objectivity and the effectiveness of the audit process, especially when the company use non-audit services of the external auditors;			
vii. Develop and implement policy on the engagement of the external auditor to supply non-audit services; and			
viii. Ensure the company's compliance with all legal and regulatory requirements and other internal regulations of the company.			

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THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 4: Establishing board committees			
4.2	The Board should establish a competent risk management committee to ensure that the risks inherent to the company's business activities are properly managed	The Board should adopt a risk management committee charter which should be made publicly available via company's website. The authorities, composition and working procedures specified in the risk management committee charter should be developed as a practical benchmark, against which performance of the risk management committee would be evaluated.	AAA has not established committees of the BOD yet.
		The primary responsibilities of the risk management committee are to:	AAA has not established committees of the BOD yet.
		i. Approve and oversee the company's processes and policies in identifying and managing risk;	
		ii. Oversee and monitor senior management's performance in implementing the company's risk management policy; Review and recommend for Board approval risk appetite and risk management strategies;	
		iii. Recommend to the Board exposure limits and risk-taking authority delegated to chief executive officer (CEO) and senior management;	
		iv. Consider risk aspects of strategies and proposals by management;	
		v. Monitor the effectiveness of the risk management function and ensure that there are adequate resources and systems in place to meet desired level of capability and exceed minimum compliance requirements; and	
		vi. Establish continuing education programs to improve member knowledge of risk management;	
		vii. Establish continuing education programs to improve member knowledge of risk management.	
Subject to legal requirements on company size, its nature of business environment and other factors, if there is no urgent need to establish the separate risk management committee, the audit committee may combine audit and risk management oversight responsibilities.			

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THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 4: Establishing board committees			
4.3	The Board should establish corporate governance, nomination and remuneration committee to strengthen the effectiveness of company's corporate governance framework and ensure that the company's nomination and remuneration policies and practices support the successful appointment, development, and retention of directors and managers.	The Board should establish corporate governance, nomination and remuneration (CGNR) committee which should be composed of at least three qualified non-executive directors, the majority of whom, including the committee chairman, should be independent.	AAA has not established committees of the BOD yet.
		The Board should adopt CGNR committee charter which should be made publicly available via company's website. The authorities, composition and working procedures specified in the CGNR committee charter should be developed as a practical benchmark, against which performance of the CGNR committee would be evaluated.	AAA has not established committees of the BOD yet.
		The primary responsibilities of the CGNR committee are to:	AAA has not established committees of the BOD yet.
		i. Develop, recommend and annually review company's corporate governance policies and oversee corporate governance matters;	
		ii. Identify individuals qualified to become Board members and recommend such individuals to the Board for nomination for election to the Board;	
		iii. Make recommendations to the Board concerning committee appointments (other than the CGNR Committee);	
		iv. Coordinate an annual evaluation of the Board, directors and committees;	
		v. Ensure the compliance with the company's corporate governance policy (manual) and the Code of Conduct;	
		vi. Assist the Board with discharging its responsibilities relating to the remuneration of the directors, CEO, senior management, the company secretary and such other members of the management as it is designated to consider by the Board;	
vii. Oversee the administration of the company's compensation and benefits plans; and			
viii. Prepare an annual report on remuneration policy and practices which will form part of the company's annual report.			

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THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 5: Ensuring effective performance for Board			
5.1	The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment should be supported by an external facilitator	Board assessment helps the directors to thoroughly review their performance and understand their roles and responsibilities.	The BOD convenes regular and extraordinary meetings and re-assessing the performance of all members.
		The periodic review and assessment of the Board's performance as a BOD, the board committees, the individual directors, and the Chairman show how the afore mentioned should perform their responsibilities effectively.	The BOD well implemented this content.
		In addition, it provides a means to assess a director's attendance at board and committee meetings, participation in boardroom discussions and manner of voting on material issues.	The BOD well implemented this content.
		The use of an external facilitator in the assessment process increases the objectivity of the same. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.	Currently, AAA has not used external consultants to participate in the evaluation.
5.2	The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and its committees. Such a system should allow for a feedback mechanism from the shareholders	Disclosure of the criteria, process and collective results of the assessment ensures transparency and allows shareholders and stakeholders to determine if the directors are performing their responsibilities to the company.	AAA is developing a set of evaluation criteria.
		Companies are given the discretion to determine the assessment criteria and process, which should be based on the mandates, functions, roles and responsibilities provided in the Board and Committee Charters.	AAA is developing a set of evaluation criteria.
		In establishing the criteria, attention is given to the values, principles and skills required for the company. Normally, the Corporate Governance Nomination and Remuneration Committee (see Principle 4.3) oversees the evaluation process.	AAA is developing a set of evaluation criteria, and specific evaluation process.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 5: Ensuring effective performance for Board			
5.3	When proposing director remuneration to the shareholders' meeting for approval, the Board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the Board to lead the Company in meeting its objectives, both in the short and long term	The board's remuneration committee (see Principle 4.3) with the majority of its members and the chairman being independent directors is responsible for setting the remuneration policy.	AAA is developing a set of evaluation criteria, and specific evaluation process.
		The remuneration of the board should be consistent with the company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration, comparable to industry practice.	The remuneration of the BOD is approved by the AGM., in accordance with responsibilities of each member.
		Shareholders must approve the board remuneration structure, including level and pay components (both cash- based and non-cash compensation). The board should consider the appropriateness of each pay component, both in terms of fixed rates (such as retainer fee and attendance fee) and remuneration paid according to the company's performance (such as bonus and rewards).The remuneration should reflect the values that the company creates for shareholders taking a long-term perspective on company performance, and the pay level should not be too high so as to avoid the board excessively focusing on the company's short-term results.	The remuneration of the BOD is approved by the AGM.
Principle 6: Establishing and maintaining an ethical corporate culture			
6.1	The Board should ensure the adoption a Code of Business Conduct and Ethics to set an appropriate ethical business culture within the Company. This Code would provide standards for professional and ethical behaviours, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, Senior Management and employees. It should also be disclosed and made available to the public through the company website	A Code of Business Conduct and Ethics formalizing ethical values is an important tool to instil an ethical corporate culture that pervades throughout the company.	AAA has issued a Code of Conduct with 9G and 9T behaviours, An Phat Human Genome, which sets out rules for dealing with stakeholders, and standardized conducts between leaders and employees, employees with leaders, core values of An Phat people.
		The main responsibility to create and design a Code of Business Conduct and Ethics suitable to the needs of the company and the culture by which it operates lies with the Board.	Board members are also founders of the Company who have set to develop An Phat culture.
		To ensure proper compliance with the Code, appropriate orientation and training of the Board, Senior Management and employees on the same are necessary.	All employees are participated in cultural training program before officially working at the Company.

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THE RESPONSIBILITY OF THE BOARD OF DIRECTORS			
Principle 6: Establishing and maintaining an ethical corporate culture			
6.2	The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies	The Board has the primary duty to make sure that the internal controls are in place to ensure the company's compliance with the Code of Business Conduct and Ethics and its internal policies and procedures. Hence, it needs to ensure the implementation of said internal controls to support, promote and guarantee compliance.	AAA Board of Directors well implemented this content. One of the highlights of An Phat culture is the "claim" culture. Every individual in An Phat, regardless of position, has the right to raise opinions of misconducts and bring up constructive ideas to the team and their seniors, enabling continuous advancements.
		This includes efficient communication channels, which aid and encourage employees, customers, suppliers and creditors to raise concerns on potential unethical/ unlawful behaviour to the Board's appropriate communication channel, without fear of retribution.	AAA has a mailbox to collect opinions from employees, and all related parties can contact the BOD directly.
		A company's ethics policy can be made effective and inculcated in the company culture through a communication and awareness campaign, continuous training to reinforce the code, strict monitoring and implementation and setting in place proper avenues where issues may be raised and addressed without fear of retribution.	In addition to internal newsletters, AAA also organized corporate cultural competitions, spreading ethical values of enterprises.
6.3	The BOD is the focal point of and collectively bears accountability for the governance of the company, its long-term success and the delivery of sustainable value to its stakeholders. The Board should set the role model for management and employees of the Company to follow	The Board and management of the Company shall act in an ethical manner, with honesty and integrity in all of its dealings with and on behalf of the company and its shareholders at all times.	The Board of Directors and the Board of Directors of AAA comply with this practice together with stipulating in the corporate governance regulations.
		The Board and management of the Company shall ensure that all deliberations, decisions and actions are founded on core values underpinning good governance – responsibility, accountability, fairness and transparency.	AAA has implemented this practice effectively.
		The Board and management of the Company shall ensure that the company complies with applicable laws, regulations, standards and internal policies.	AAA has implemented this practice effectively.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
CONTROL ENVIRONMENT			
Principle 7: Establishing a sound risk management and control environment			
7.1	The BOD should ensure integration of strategy, risk and control, and oversee the effectiveness of company's internal control system	The Board has the ultimate responsibility for oversight of the company's risk management and internal control frameworks. The Board should ensure that an effective means of risk oversight is in place and clear lines of responsibility and accountability throughout the organization is enforced.	AAA has implemented this practice effectively.
		The Board should approve strategic plans and monitor their effective implementation. The Board with the assistance from the audit and risk committees should periodically review the effectiveness of company's internal controls. Board's agenda on internal control should not be static and it should be tailored to the issues and risks that demand Board's highest attention.	AAA Board of Directors well implemented this practice. Although AAA does not have a separate Audit and Risk Committee, the strategic plans and monitoring of BOM are still effectively implemented.
		Audit and risk Committees should ensure that the management team is equipped with the mechanism and internal controls to identify, assess, and mitigate risks, with a view to keeping them at levels in line with the company's risk appetite. The internal control system should have forward-looking and pro-active perspectives in an attempt to anticipate potential risks. Committees should organize face-to-face meetings with the executive team to understand the most pressing internal control issues.	AAA has implemented this content effectively.
		The Board should ensure that all necessary control bodies (E.g. risk management, compliance, internal audit) within the company are established with adequate standing, authority and reporting lines.	AAA has implemented this content effectively.
7.2	The BOD should establish an internal audit function that provides objective assurance and consulting activity designed to add value and improve an organization's operations	All board-level committees should ensure adequate flow of information, on individual incidents or themes that might indicate an underlying or emerging risk, among the committees.	AAA has established whistle-blowing mechanism, which facilitates
		The company should have an independent internal audit function that provides assurance to the Board as to the effectiveness and efficiency of the company's governance, risk management framework and internal control system. The internal auditor's authority, composition, remuneration, annual budget, working procedures and other relevant matters are regulated in a separate internal audit charter approved by the audit committee.	AAA has established internal audit department.
		The Head of Internal Audit (Chief Audit Executive) should directly report to the Board or Audit Committee. The Head shall be a senior executive of the organization (but not part of the senior management team). Appointment and dismissal of the Head of Internal Audit shall be approved by the audit committee.	AAA has established internal audit department.
		The internal audit function should be established in line with applicable legal requirements and the standards adopted by the Institute of Internal Auditors (IIA)6 which are widely accepted as international best practices.	AAA has established internal audit department.
		Audit committee should receive results of the annual risk assessment, internal audit reports, results of quality assessment and improvement plan of the internal audit department, updates on key audit issues, extensions on audit resolutions; and provide necessary guidance.	AAA has established internal audit department.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
CONTROL ENVIRONMENT			
Principle 7: Establishing a sound risk management and control environment			
7.3	The Board should establish a compliance function as a second line of defense with the necessary standing and authority	The company should have a compliance function that ensures proper compliance with all applicable external laws and regulations as well as internal policies. The compliance function shall monitor activities of the company and its employees to ensure compliance and report to senior management and the Board on a regular basis.	AAA has not had a separate compliance department.
		Compliance unit will be able to discharge its function better when its independence is reinforced through a direct reporting line to the Board. The Head of Compliance should have the necessary standing and authority within the Company. The Head should have direct and unfiltered access to the Board or a board-level committee (E.g., Risk Committee, Audit Committee). The Board or its related Committee should receive periodic updates from the Compliance function.	AAA has not had a separate compliance department.
		The Head of Compliance should advise senior management and the Board on the applicable laws, rules and standards, including keeping informed on developments in the area; educate staff on compliance issues; identify, document, assess, measure, monitor and report the compliance risks associated with the Company's business activities.	AAA has not had a separate compliance department.
7.4	The Board should oversee the Company's enterprise-wide risk management and ensure the risk management activities help the Company in making better and risk-informed strategic decisions, and managing risks within the Company's risk appetite	The Board should regularly monitor implementation of the company's strategy and discuss business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems. The Board should ensure that sufficient time is devoted to discussing risk-management strategy, including social and environmental risks, activities and outcomes, at Board meetings.	AAA has implemented this practice effectively.
		The Board should set the risk appetite and risk tolerance limits per the company's strategy. The Board should ensure that company's risk management framework is reviewed at least on an annual basis. Audit Committee should receive a report from the internal audit on the effectiveness of the risk management framework on an annual basis.	AAA has implemented this practice effectively.
		The Board should develop and publish a risk management policy with clear risk management framework and structure. This framework should incorporate a "three lines of defence" concept, where management is the first line of defence, risk management and compliance functions are the second line of defence, and internal audit is the third line of defence.	AAA has implemented this practice effectively.
		Board with an aim to encourage prudent risk taking should ensure that executive remuneration packages aligned with the long-term interest of the shareholders and are adjusted for all types of risks (E.g. operational risks, reputational risks). Organizations can employ risk-adjustment measures such as deferral of payment, longer performance periods etc. when designing their remuneration framework.	AAA has implemented this practice effectively.
		The company should appoint a Chief Risk Officer (CRO) to head its risk management function. The CRO should have direct access to the Board and/or Risk/Audit Committee.	AAA has yet appointed this CRO.
		The CRO is responsible and accountable for the execution of the risk management policy and development of risk management strategies.	AAA has yet appointed this CRO.

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CONTROL ENVIRONMENT			
Principle 7: Establishing a sound risk management and control environment			
7.5	The Board should ensure that foundation and framework for a cyber-resilient company are properly established	The Board should have the necessary capacity to understand cybersecurity risks and the related legal implications. If necessary, the Board should seek independent cybersecurity expertise to have discussions on this topic.	The IR Department undertakes this function.
		Cybersecurity risk should be dealt as part of the company's enterprise-wide risk management rather than a separate issue. Adequate time should be given to the cybersecurity on board agenda to ensure satisfactory cyber protection.	AAA has implemented this practice effectively.
		The Board should approve company's strategy on identification and mitigation of cyber risks including the transfer of risks through insurance.	AAA has implemented this practice effectively.
7.6	The BOD should establish the selection criteria for the external auditor, evaluation of the quality of work of the external auditor, and set procedures for follow-up on external auditors' recommendations	The Board should seek annual reports from the internal auditors on the company's cybersecurity program.	The IT Dept reported to the BOD on the company's cybersecurity program annually.
		External auditor will be appointed by the general assembly (unless required by specific laws otherwise). Audit Committee should report to the board and the annual general assembly the Committee's recommendations with respect to the selection of the external auditor, engagement fees and the overall terms of service to be provided by the external auditor.	The General Meeting of Shareholders approved the selection criteria and list of auditing companies approved by SSC to audit listed companies in 2022.
		Audit committee should determine and oversee the audit quality indicators (E.g., external auditor's compliance with independence requirements, years of audit experience and industry specialization, attrition rate etc.) and oversee the work of external auditor and the effectiveness of the audit process. The committee should review the company's policies on external auditor (E.g. selection, rotation, performance assessment etc.) and report to the board the Committee's recommendations for any modification of such policies.	Approved criteria for selecting audit firm include: + Being an auditor operating legally in Vietnam and approved by the SSC for auditing listed companies + Reputable for audit quality + Team of auditors are highly qualified and experienced + Having reasonable audit fees suitable to the quality of auditing on the basis of considering documents of audit fees and audit scope.
		External auditor should be independent, well-qualified to carry out their duties, and free of conflicts of interest. External auditor should provide only an audit opinion and refrain from providing any other non-audit services to the company. Financial statements should be audited in accordance with International Standards on Auditing (ISA).	The selected auditor is EY Vietnam Co., Ltd., fully capable to complete the audit work.
		Company should disclose all fee payable to external auditor including both assurance and non-assurance services. Audit Committee should ensure that the amount of non-audit (non-assurance) fees, if any, does not exceed the amount of fees paid for provision of external audit services.	AAA has not yet announced the audit fee.

The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
DISCLOSURE AND TRANSPARENCY			
Principle 8: Strengthening company disclosure practices			
8.1	The Board should establish the guidelines and procedures for disclosure of information to shareholders and other stakeholders and oversee their enforcement	The Board should adopt the disclosure policy which ensures that all relevant information on the governance and operations of the company is disclosed accurately, in time and in full in accordance with applicable laws and regulations, and that it is available to shareholders and other stakeholders at the same time. In particular, the Company should make a full, fair, accurate and timely disclosure of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	AAA has implemented this practice effectively.
		The Board of Directors should ensure that the company's disclosure practices follow the disclosure policy. Company's disclosure system should guarantee equal access to information to shareholders, investors, and other stakeholders and should not allow for any abuse of internal information or insider trading.	AAA has well implemented the information disclosure regulations with the SSC and HOSE.
		The audit committee should oversee all financial and non-financial reporting in accordance with the policy.	AAA has not established a separate audit committee. The Supervisory Board and the Internal Audit Department undertakes the function of supervising and ensuring that the financial reporting complies with current standards.
		Board should adopt a policy requiring all directors and senior managers to disclose/report to the company any dealings in the company's shares within 3 (three) business days.	This practice is well performed by AAA. Members of the Board of Directors and other senior managers must disclose information about trading shares of the company before and after the transaction.
		The Company should have a dedicated Investor Relations function, responsible for overseeing the external communications and statutory filings.	This practice is well performed by AAA. IR team undertakes this role.
8.2	To promote an effective cost-efficient access to relevant information, the Board should ensure easy and non-discriminatory access to disclosed information using diverse tools of communication	The Company must absolutely comply with all applicable laws and regulations, national and international standards as required elsewhere.	From the 2019 annual report, AAA conducts a corporate compliance assessment.
		The Board should ensure that relevant company information is published as soon as possible, and for that reason, the company's disclosure policy should cover the procedures for electronic disclosure.	AAA has implemented this practice effectively.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
DISCLOSURE AND TRANSPARENCY			
Principle 8: Strengthening company disclosure practices			
8.3	The Board should ensure disclosure of key non-financial information, including environmental and social reporting	The Board should ensure that Company discloses updated and relevant information about its corporate governance practices and structures at its website and in annual reports. At a minimum, the Company should disclose corporate governance policies and charters in accordance with this Code.	The corporate governance regulations are posted on the website, the governance reports are made annually in the annual report and the corporate governance situation report.
		The Board should disclose the detailed level and roadmap of Company's compliance with this Code in its annual report.	AAA has implemented this practice effectively.
		The Board should ensure that company discloses information on its significant environmental and social (E&S) impacts and its approach to E&S risk management. The information should be prepared in accordance with globally accepted standards, such as such as standards issued by the Integrated Reporting Council (IIRC), or the Global Reporting Initiative (GRI) or the Sustainable Assurance Standards Board (SASB), and subject to independent verification.	AAA has implemented this practice effectively.
		The Board should ensure that company discloses information on its significant environmental and social (E&S) impacts and its approach to E&S risk management. The information should be prepared in accordance with globally accepted standards, such as such as standards issued by the Integrated Reporting Council (IIRC), or the Global Reporting Initiative (GRI) or the Sustainable Assurance Standards Board (SASB), and subject to independent verification.	AAA has implemented this practice effectively.
8.4	The Board should ensure remuneration of members of the Board and key executives are disclosed publicly to satisfy concern of from the shareholders with regards to remuneration, performance and value creation	The Board should disclose in the company's annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director, member of the Board of Supervisors (if applicable) and the CEO; and (b) top key management personnel (who are not directors or the CEO).	AAA has implemented this practice effectively.
		The Board should disclose in the company's annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	This information was disclosed in annual audited financial statements and annual report.

The report was prepared based on the Corporate Governance Code of Best Practices issued on August 2019 by State Securities Commission of Vietnam and International Finance Corporation

No.	Corporate Governance Code	Recommended Practices	Practices at AAA
SHAREHOLDER RIGHTS			
Principle 9: Establishing a framework for effective exercise of shareholder rights			
9.1	The Board should establish and disclose the policies protecting shareholders rights and oversee their implementation	The Board should adopt a comprehensive policy with description of shareholders' rights and requirements on the authorities, procedures for preparing, conducting, and making decisions at shareholders' meetings.	The content is specified in the company's charter.
		To avoid share dilution, the charter of the company should provide for the pre-emptive rights of shareholders allowing the company's shareholders to maintain a proportionate share of the ownership of a company when the company issues new shares. The share purchase price and purchase terms for shareholders should not be less favourable than those proposed to third parties.	The content is specified in the company's charter.
		The company should disclose the shareholder policy and the rules and procedures for shareholder participation in the shareholder meetings at its website.	The policies for shareholders, the rules of procedures to participate in the meeting are published on the website, the shareholder relation section.
		The Board should ensure that the company has a system of registering shareholder complaints and effectively regulating corporate disputes.	Investor Relations team receives comments via email and phone.
		The Company should disclose the ultimate beneficial ownership (citing natural persons) of 5% or more of its shares.	AAA discloses information on major shareholders (5% or higher).
9.2	The Board should organize effective shareholders meetings	The Board should send the notice of annual and extraordinary shareholders' meetings with sufficient and relevant information, at least, 21 (twenty-one) days before the meeting.	AAA has implemented this practice effectively.
		Each shareholder should receive advance notification, an agenda, as well as accurate, objective, and timely information sufficient for making an informed decision about the issues to be decided at the shareholders' meeting.	AAA sends meeting invitation and meeting agenda to domestic and foreign shareholders by post. Also meeting documentations were posted on the Company's website.
		The Board should provide shareholders with comprehensive information regarding the experience and background of the candidates for membership at Board of Directors, including the age, academic qualifications and other relevant experience including the directorships in other listed and non-listed companies.	AAA has implemented this practice effectively.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
SHAREHOLDER RIGHTS			
Principle 9: Establishing a framework for effective exercise of shareholder rights			
9.2	The Board should organize effective shareholders meetings	The Board should have in place a fair and effective procedure for submitting proposals to the agenda of the Shareholders' Meeting, including proposals for the nomination of Board members. The shareholder(s) owning at least 10 (ten) percent of company's voting shares should be provided with a right to include additional items in the meeting agenda. The shareholder(s) owning less than 10 (ten) percent of company's voting shares should be provided with the opportunity to propose additional items to the agenda of shareholders' meeting.	The content is specified in the Article 12 of the company's charter.
		Shareholders or a group of shareholders holding 10 (ten) percent of company's voting shares should be able to call for extraordinary meeting of shareholders.	The content is specified in the Article 12 of the company's charter.
		The Board should ensure that shareholders can vote via authorized representatives (proxies) in accordance with the instructions of the shareholders. The rules of absentee voting shall be defined in the policy on Shareholder's Meeting of the company. The Board should also encourage and allow shareholders to vote via email or by postal services, and to participate at the shareholders meeting via conference calls or video conferences in a manner which does not make voting procedure unnecessarily difficult or expensive.	The provisions on authorization are clearly stated in the Company's Charter "The holder of common shares has the following rights to attend and speak at the General Meeting of Shareholders and exercise the right to vote directly at the General Meeting of Shareholders, shareholders' meeting or through an authorized representative or conduct remote voting or electronic voting or other electronic forms". Also, the depending on specific circumstances, the regulations will specify the form of meeting and voting.
		The shareholders' meetings should be held at a time and place that are the most convenient for shareholders.	The General Meetings of Shareholders were held at the company's headquarters. AAA created favourable conditions for shareholders to attend the meeting.
		The directors, senior management and external auditors should attend the shareholders' meetings to answer questions asked by the shareholders at the meeting.	The Board of Directors of the Company and senior executives attended the meeting fully because the independent auditor had no qualified opinions, therefore, did not attend the meeting.
		The company should disclose the voting results within 1 (one) day after the annual or extraordinary shareholders' meeting. Voting results should include a breakdown of the approving and dissenting votes on the matters raised during the shareholders' meeting.	Voting results are announced right in the meeting.
		The minutes of the annual and extraordinary shareholders' meetings should be available on the company website within 24 (twenty-four) hours after the meeting. In addition to the regulatory requirements, the minutes should include the following: (1) voting procedures; (2) if the opportunity was given to shareholders to ask questions, as well as a record of the questions and the answers received; (3) the matters discussed and the resolutions reached; (4) voting results for each agenda item; (5) a list of the directors, officers, external auditors and shareholders who attended the meeting; and (6) dissenting opinion on any agenda item that is considered significant in the discussion process.	AAA has implemented this practice effectively.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
SHAREHOLDER RIGHTS			
Principle 9: Establishing a framework for effective exercise of shareholder rights			
9.3	The Board should develop and implement a fair and consistent dividend policy	The Board should adopt a clear and transparent policy on the dividend distribution and payment process. Shareholders should be given full information on conditions of dividends distribution and pay-out procedures and there should no hindrance for shareholders in obtaining their dividends.	AAA has implemented this practice effectively.
		The cash dividends should be paid within 30 (thirty) days after adoption of relevant resolution. In case, the Company had a resolution for to pay dividends by shares, the script dividends should be paid within 60 (sixty) days.	AAA adequately and promptly accomplished the dividends obligations in accordance with the law.
		The company is responsible for paying all declared dividends. Accordingly, the Board shall be liable to its shareholders for the failure to discharge this duty, pursuant to the applicable legislation.	AAA adequately and promptly accomplished the dividends obligations in accordance with the law.
		The Board should disclose the dividend policy via company's website.	Information about dividends is updated on the Company's website and other multi-media channels.
9.4	All shareholders shall be treated equally	All shareholders' rights shall be recognized, respected and protected by the Board. In particular, minority shareholders shall be protected from any abuse by controlling or significant shareholders, holding shares directly or indirectly, who may control or significantly influence company decisions.	AAA has implemented this practice effectively.
		Shareholder voting shall be on a 'one share, one vote' basis. All rights pertaining to each class of shares shall be publicly disclosed.	Information about types of shares and stocks issued is adequately disclosed.
		Foreign and domestic shareholders shall be encouraged to participate and vote at the AGM. Impediments to cross border voting at the AGM shall be eliminated. AGM materials, including documents, resolutions and minutes, shall be provided in English to enable full participation by those not familiar with Vietnamese and translators shall be provided at the AGM where necessary.	AAA sends invitation for meeting in both English and Vietnamese to all domestic and foreign shareholders. Documents for AGM are provided bilingually and published on the Company's website. AAA is willing to arrange an interpreter at the meeting in case foreign shareholders register to attend.
		The company shall establish and publish on its website an effective Complaints Policy and mechanism which enable shareholders and others register their complaint, have it investigated and acted upon.	This information is currently not available on the company's website.

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
SHAREHOLDER RIGHTS			
Principle 9: Establishing a framework for effective exercise of shareholder rights			
9.5	Related-party transactions (RPTs) should be approved and conducted in manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders	The Board must ensure that transactions between related parties are conducted according to market practices in all aspects (e.g. price, term, guarantees, and general conditions). All RPTs if they occur, should be subject to strict review and (dis)approval processes following the defined approval matrix, and should be properly disclosed.	AAA has implemented this practice effectively.
		Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.	AAA has implemented this practice effectively.
		Companies should issue a written policy on RPTs (approved by the Board) and publish on their website. This policy should incorporate as a minimum the following elements:	Transactions with related parties are stipulated in the Company's charter and published on website.
		i. Policy objective;	
ii. Definitions;			
iii. Policy owner;			
iv. Applicability of the policy;			
v. Identification of RPs and RPTs, including thresholds and disclosure requirements;			
vi. Notification, accountabilities and processes;			
vii. Review and (dis)approval processes;			
viii. Monitoring of RPTs;			
ix. Transparency and disclosure/reporting of RPTs;			
x. Publication and promotion of the policy.	AAA has implemented this practice effectively.		
	Independent, non-conflicted directors should be identified and their duties with regard to RPTs formalized in a committee charter. These directors should support implementation of the RPT policy, review and (dis) approval processes and have close interactions with the internal audit function and the external auditor who provide RPT assurance.	AAA implements adequately and promptly information disclosure regarding to transactions with related parties. The BOD is authorized to approve the transactions below 35% of the total assets of the Company, from 35% and above transactions must be approved by the General Meeting of Shareholders.	
	In case of RPTs that are large in scale or which could shape the company's strategic direction or capital structure, shareholders should have the right to approve RPTs. The board should submit the transaction for shareholder approval and disclose the following information (both before conducting the transaction and in the company's annual report):		
	a. The identity of the ultimate beneficiaries including, any controlling owner and any party affiliated with the controlling owner with and direct/indirect ownership interest in the company;		
	b. Other businesses in which the controlling shareholder has a significant interest; and		
	Shareholder agreement (e.g. commitments to related party payments such as license fees, service agreements and loans).		

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No.	Corporate Governance Code	Recommended Practices	Practices at AAA
STAKEHOLDER RELATIONS			
Principle 10: Building effective stakeholder engagement			
10.1	The Board should ensure establishing rules for stakeholder protection and engagement	The Board should ensure that there is a formal stakeholder identification process and that company's stakeholders include the employees, creditors, clients, suppliers, the local communities and key Non-Governmental Organizations. The Board should adopt well-defined stakeholder policies with differentiated approaches for identified priority groups.	AAA has implemented this practice effectively.
		The Board should ensure that the company respects the legitimate interests and rights of stakeholders as established by law or contractual commitments. Board should set up high expectations for stakeholder interactions and demonstrate the commitment to stakeholder engagement in the Code of Conduct.	AAA has implemented this practice effectively.
		As a priority, the Board should adopt employee policies and programs, in particular on safety, welfare and development, so company employees are able to actively contribute to achievement of the company's objectives and can participate in its governance.	AAA has implemented this practice effectively.
		The Board should ensure that the company adopts and enforces a strict anti-corruption and antibribery policy in its Code of Business Conduct and Ethics.	AAA has implemented this practice effectively.
		Board should ensure that company's social and environmental requirements are incorporated into requirements for contractors.	AAA has implemented this practice effectively.
10.2	The Board should ensure and oversee the appropriate dialogue between the company and its stakeholders	The Board should establish and oversee a mechanism for employees and other stakeholders to formally report their questions and complaints.	Interested parties and employees can contact directly to the BOD via email or the labour union if they have any questions/complaints.
		The Board should adopt a transparent and publicly accessible communication procedure which allows to: (i) receive and register external communication from the external stakeholders; (ii) assess issues raised and determine response and (iii) provide and document responses, if any.	AAA has developed this process.

PLAN TO ENHANCE CORPORATE GOVERNANCE IN 2024



Short-term plan:

To improve practices regarding: **DISCLOSURE OF INFORMATION & TRANSPARENCY AND RELATIONS WITH RELATED PARTIES**

- Continuing to develop website of AAA, promptly and adequately disclose the information to domestic and foreign shareholders, investors and other stakeholders;
- Maintaining compliance with the regulations on information disclosure with SSC and HOSE in accordance with Circular 96/2020/TT-BTC and strive to perform better than prescribed standards of information disclosure to investors;
- Continuing to develop training program and orientation for successors of the BOD, BOM and other senior management positions;
- Regularly updating international knowledge and practices on Corporate Governance to improve AAA's standards on corporate governance.

Medium and long-term plan:

To improve practices regarding: **CONTROL ENVIRONMENT & RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

- Strengthening the role of the independent members in the Board of Directors' activities;
- Enhancing the operation of internal control systems and risk management frameworks, strengthening control and monitoring of these departments;



REPORT

05

SUSTAINABILITY REPORT

- 140** Overview of the Report
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- 146** Social impacts
- 154** Environmental impacts

OVERVIEW OF THE REPORT

- **Purpose of the Report:** The report provides an assessment of AAA's sustainability issues in 2023. Based on its vision, development orientation and business strategy, Sustainability Report presented the Company' significant impacts on the economy, society and environment. AAA's Sustainability Report plays an important role in helping our investors, shareholders and other stakeholders access information on business strategies and activities in terms of sustainability.

- **Reporting standards:** The Sustainability Report was made into 01 independent report in reference to the latest GRI Sustainability Reporting Standards of the Global Initiative (GRI) presented specifically for each field according to the Economic Environmental - Social, referring to the SSC 's Guide to Information on Environmental and Social Disclosures in coordination with IFC.

- **Reporting period:** January 1, 2023 - December 31, 2023.

- **Last report date:** December 31, 2022.

- **Reporting cycle:** Annual.

- **Scope of report:** The report was prepared within the scope of An Phat Bioplastics JSC regarding its packaging business.

- **Contact information:**

AAA tries its best to meet expectations of stakeholders for transparency and completeness in sustainability reporting. Therefore, we are looking forward to receiving your comments. Further comment and inquiries regarding the Sustainability Report, please contact the following person:

Mr. Nguyen Trung Kien - Investor Relations Director

Email: ir@anphatholdings.vn

Phone number: + 84 904 917 686



SUSTAINABLE DEVELOPMENT ORIENTATION

Sustainability impacts of the Company

The assessments of AAA's impacts on 03 aspects including the economy, the environment and the society enable AAA to determine its roles, responsibilities, and necessary actions, facilitating sustainable developments.

IMPACTS ON THE ECONOMY

AAA strives for revenue and profit growth, fulfilling taxation responsibility. Besides, as the leading company in the packaging industry, the Company pioneers in environmentally friendly plastics, supporting Vietnamese plastic manufacturers, strengthening Vietnam plastic industry's position in the world.

IMPACTS ON THE SOCIETY

For years, AAA has maintained job security and stable income for people in Hai Duong province and neighboring areas, contributing significantly to local social development. At the same time, AAA has invested in developing human resources and improving people's intellectual standards. In addition, the Company has organized and sponsored community programs and other social activities.

IMPACTS ON THE ENVIRONMENT

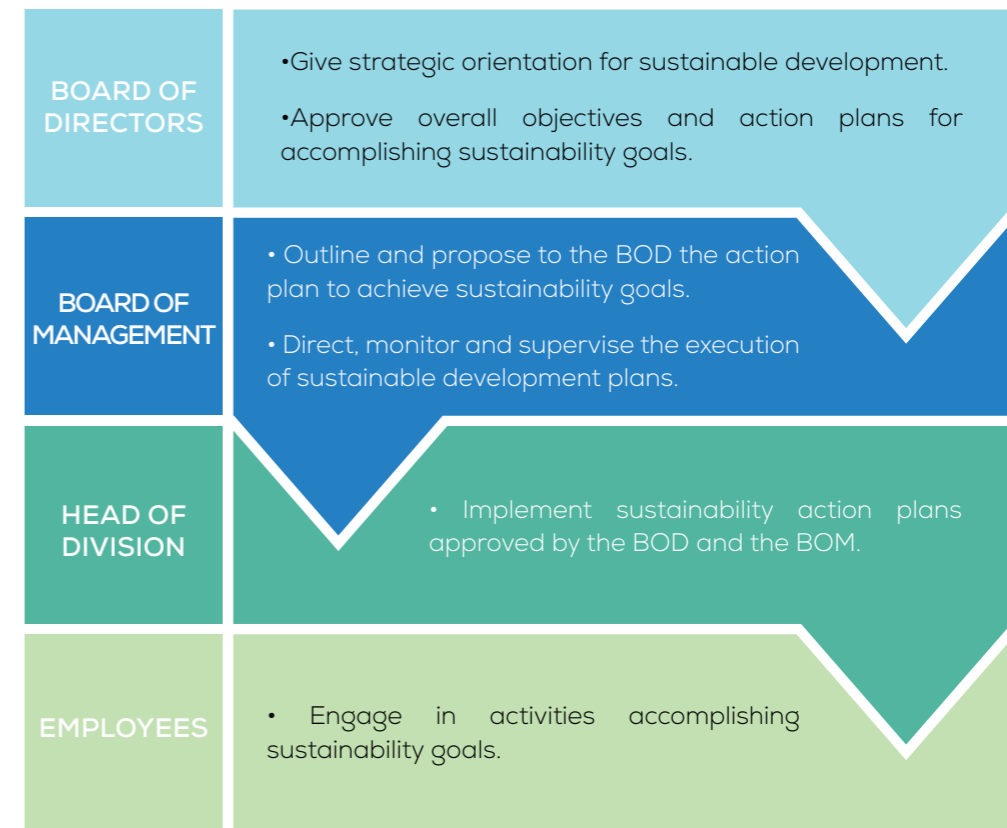
AAA produces plastic bags, which raises concerns about environmental issues. Aware of this problem, AAA has made enormous efforts to green up our business, especially in shifting our product portfolio towards eco-friendly products. Also, we strive to change the community's consumption habits towards environmentally friendly alternatives. Environmental risks are controlled by monitoring systems complying with internationally accepted standards. The energy and raw material consumptions have been closely monitored. The factory premises are filled with green trees, energy-saving initiatives are launched and supported by all employees. At the same time, the Company also expands environmentally friendly plastic products, especially in the domestic market, contributing to addressing the problems of plastic waste pollution that are highly concerned by the community.



SUSTAINABILITY GOVERNANCE

AAA defines corporate governance as one of the most important contributors to sustainable growth and value creation for stakeholders. In addition to following applicable regulations and laws, AAA has applied an internal supervision system to ensure management efficiency.

SUSTAINABILITY GOVERNANCE MODEL



ECONOMIC PERFORMANCE

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

MAINTAINING BUSINESS EFFICIENCY DESPITE THE GLOBAL ECONOMIC DOWNTURN

The most important role of a business is to create economic value. Therefore, ensuring efficiency in production and business activities is the top priority of the company. Since its listing in 2010, An Phat Bioplastics has experienced significant growth year after year, continuously contributing to the overall development of the economy. In 2023, the company achieved consolidated net revenue of VND 12,628 billion and profit after tax of VND 309 billion, further increasing the company's value and contributing to Vietnam's GDP growth.

CONTRIBUTION TO THE STATE BUDGET

Along with economic growth, AAA fulfilled its obligations to contribute to the State Budget. In 2023, AAA contributed over VND 92 billions to the state budget.

DIVIDEND POLICY

The Dividend policy of the Company has been introduced and implemented in accordance with the Enterprise Law, the Company's Charter and as approved by the Meeting of Shareholders. Whereby:

- The Company only pays dividends to shareholders when the Company makes profits and after fulfilling its taxation obligations and other financial obligations as well as upon being appropriated to fully cover accumulated losses as prescribed by law and the Company's charter. After paying the dividends, the Company still has the financial capacity to pay all due debts and other property obligations.
- Shareholders receive dividends proportional to their capital contribution in the Company. The dividend payment ratio is decided by the General Meeting of Shareholders, with reference to the proposal of the Board of Directors and annual business results and plan for the coming year.



SOCIAL RESPONSIBILITY

The Company annually allocates funds to sponsor social and community activities such as financing local talent funds, charity funds giving gifts for the poor, and financially supporting families of employees suffering from accidents or serious illnesses, etc....

SOCIAL RESPONSIBILITY

The Company annually allocates funds to sponsor social and community activities such as financing local talent funds, charity funds giving gifts for the poor, and financially supporting families of employees suffering from accidents or serious illnesses, etc....

BENEFITS FOR EMPLOYEES AND OTHER STAKEHOLDERS

During the year, AAA made full payment of salaries and non-salary compensations to all employees including performance - based bonuses as well as fully implemented insurance and welfare policies as prescribed by law. The Company also organized programs to take care of the spiritual life for employees such as organizing summer trip, health insurance programs, musical and sports events... AAA fulfilled all financial obligations and commitments with other stakeholders including its suppliers, customers, etc....

BENEFITS FOR EMPLOYEES AND OTHER STAKEHOLDERS

FORTIFY THE POSITION OF VIETNAM PLASTIC INDUSTRY IN THE INTERNATIONAL MARKET

- Contribute to the growth of Vietnam's plastic industry: in 2023 AAA sustained its position as the largest packaging exporter (according to the General Department of Customs).
- Contribute to tightening trade relations between Vietnam and other foreign countries: AAA exports nearly 100% of its packaging products to 70 countries and territories. The Company regularly welcomes large customers from Europe, the US, Australia and Japan namely Mitsubishi Corporation, Sojitz, Itochu, Hanwa, etc...to visit and work at its head office, strengthening cooperation among partners in a variety of areas.
- Pioneer in eco-friendly products, affirming the position of Vietnam plastic packaging industry in the global plastic industry: With production capacity of 108,000 tons per year, AAA is the leading manufacturer of mono-layer packaging in Southeast Asia. Besides, AAA is one of the pioneers in the world to develop eco-friendly plastic products. An Phat's biodegradable bags are preferred by European and American customers.

CONTRIBUTING TO INFRASTRUCTURE DEVELOPMENT AND INCREASING INVESTMENT IN LOCAL INDUSTRIAL PARKS

In 2023, An Phat No.1 Industrial Park began handing over to customers. Both current industrial parks of AAA attract investors in sectors aligning with the development orientation of Hai Duong province. These IPs are planned as high-tech industrial park complexes with fully developed accompanying services, which have become destinations for both domestic and international investors, attracting FDI inflows to the local area.





SOCIAL IMPACTS

As human resource is the utmost important factor to realise sustainability strategy of the Company, since the very first day of establishment, AAA has strived to provide employees with favourable working environment with development opportunities and enrich employees' life both materially and spiritually. AAA has made great efforts to fulfill corporate responsibilities to the community.

HUMAN RESOURCE DEVELOPMENT

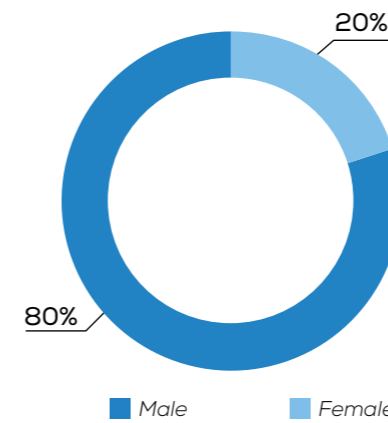
EMPLOYMENT

The number of employees at AAA (parent company only) as of December 31, 2023 is 1684 people. As manufacturing is our core business, males account for the majority of the labor force.

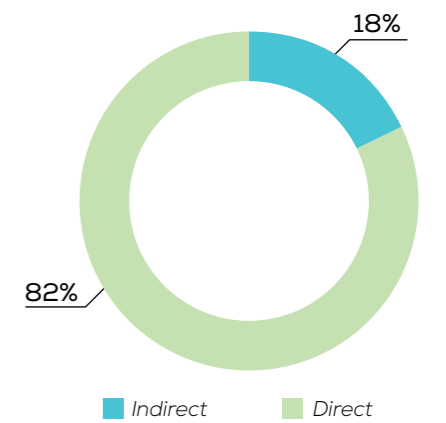
AAA and its subsidiaries have created stable jobs for nearly 3,000 employees in local areas and neighboring provinces. Building a professional working environment, ensuring stable income for employees, has contributed significantly to the social security of the local area. Our employees are regularly trained, growing in both professional capacity and ethical behaviors, contributing to building a civilized society.

AAA's human resource management strategy is built on the following main objectives: creating a professional, creative, and friendly working environment; attracting, nurturing, and valuing talents; emphasizing internal promotions to make AAA a continuously learning and improving organization; evaluating the capabilities of employees fairly and transparently; fostering internal unity through incentive and welfare policies aligned with core values and corporate culture.

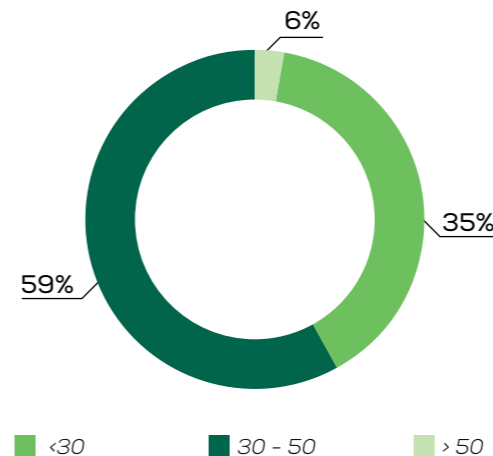
Employment by gender



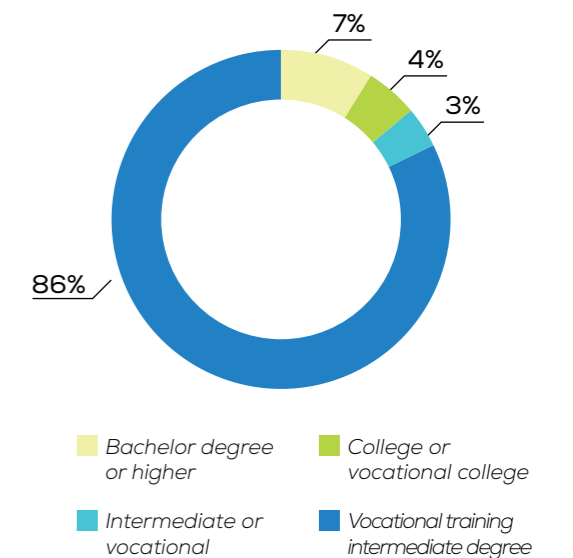
Employment by function



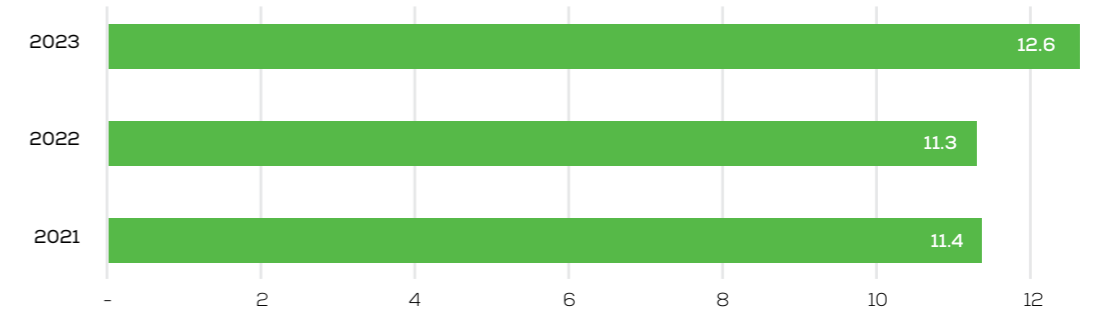
Employment by age



Employment by qualification



Monthly average income (VND million)



RECRUITMENT AND COMPENSATION POLICY

RECRUITMENT POLICY

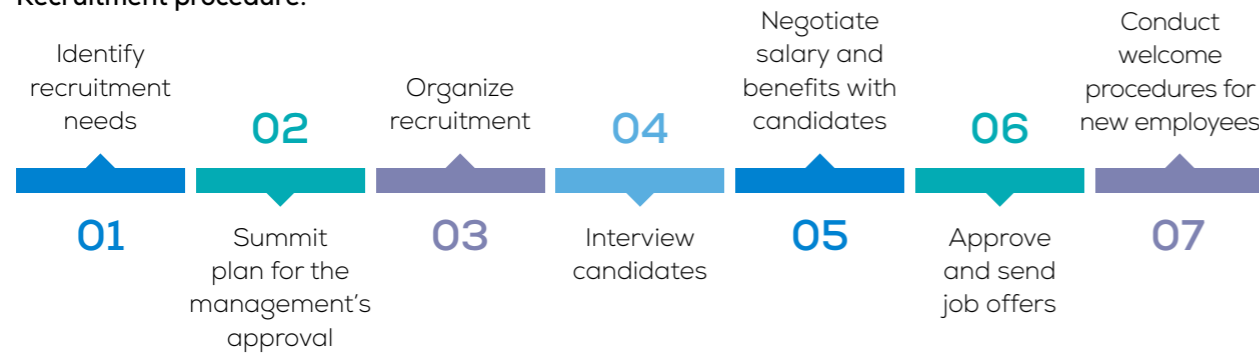
Recruitment plan: Every year depending on business plan, operation plan and short-term and long-term goals of the Company, the HR department prepares recruitment plan.

Recruitment announcement: Recruitment announcements of the Company are posted on the Company's website and other mass media.

Recruitment principles: Equality – Objectivity – Transparency

Job requirement: Information about the job position, job description, admission criteria are announced on the Company's website and facebook. Depending on each specific position, the Company sets out specific requirements on qualifications, professional skills, attitudes and responsibilities at work. For managerial positions, the recruitment requirements are more stringent regarding work experience, analytical ability, leadership skills, personal traits and other specific criteria.

Recruitment procedure:



Types of labor contracts: Depending on the needs and job description, the Company considers signing labor contracts with employees under the following types of contracts:

- Seasonal term or less than 12 month term
- Indefinite term

Working hours: For employees in office units: working hours for office employees are 8 hours per day: morning from 08:00 to 12:00; afternoon from 13:00 to 17:00. For production employees, working hours are divided into working shifts to ensure the 24/24 operation of the factory. Employees are entitled to taking holiday leave, vacation, and private leave in accordance with the Labour Law.

Insurance policy: The Company fulfils its payment of Social Insurance, Health Insurance and Unemployment Insurance for employees in accordance with the law.

SALARY POLICY

To facilitate flexibility, competitiveness and fairness of salary policy, the Company uses KPI (Key Performance Indicator) as a reference to set salary payment to all employees, except for the positions of workers, porters, cleaners, drivers, security officers, sales positions that have adopted another payroll policies and other positions that get lump sum payroll. Such a payroll policy assists the Company in attracting and retaining capable employees as well as creating motivations to improve labor productivity and efficiency.

Procedure to measure KPIs and set salary

- **Step 1:** Set KPIs for employees
- **Step 2:** Perform work
- **Step 3:** Evaluate employees' performance and measure their KPIs
- **Step 4:** Confirm and submit KPIs results to the management for approval
- **Step 5:** Calculate salary by KPIs

Salaries of employees are set at a competitive level compared to the market's, enabling their job stability. Also, the Company adopts long-term compensation policies including the annual employee stock ownership program (ESOP), encouraging long-term commitment of employees.

Allowance: In addition to the salary, employees are also entitled to work allowances. Employees' allowance is divided into 2 categories: work allowance and responsibility allowance. Work allowances are applicable to the employees at special positions prescribed by the Company with the ratio of between 10% and 30% of the salary of the person in charge.



EDUCATION AND TRAINING – CORPORATE CULTURE

EDUCATION AND TRAINING POLICY

As human resource has been taken as the key contribution for the Company’ sustainable growth, the vocational training center was established and fulfilled its role in recruitment and training for employees.

The Human Resources Training and Development Department has set up training and testing program for employees in accordance with BSCI standards, ensuring that 100% of employees undergo initial training before they start working. During the working process, the employees continue to be trained and regularly checked to improve their professional skills and qualifications. During the year, AAA also cooperated with leading experts in plastic industry to train R&D officers and factory managers, organizing training courses on soft skills for office employees.

In 2023, training activities have been well implemented. Online training courses were conducted in addition to on-site training programs on the following topics: time management skills, communication skills, positive thinking, bioplastic products, 5S cultural training, information security training, etc. The company started to deploy the E-learning system, digitize training programs to expand accessibility to employees.



No of training courses (including elearning and on-site)		53
No of average training hours/employee (indirect)	Hour/employees	3
No of average training hours/employee (direct)	Hour/employees	20
Rate of employees being evaluated	%	100%

AAA cooperated with other educational organizations including local vocational training centre, colleges, and universities to secure stable labour supply for the Company. Also, to prepare high quality human resources for future expansion, AAA organized exchange program and site visits for universities, sponsoring local start-up programs, building up brand image as a professional employer, thereby attracting capable candidates and prospective employees to contribute to the development of the Company.

CORPORATE CULTURE



Corporate culture is of utmost importance for the Company to accomplish sustainable development goals. Over 20 years of establishment, the Company has built its corporate genome for employees, making corporate culture increasingly pervasive and imbued in the workplace. The Company’s culture set 9G – the code of conduct of subordinates to leaders and 9T – the code of conduct of subordinates to leaders. The Company’s Code of Conduct also specifies standardised behaviours between employees and related parties. In addition, AAA’s culture is characterized by distinctive features such as Japanese style greeting culture, punctuality culture, claim culture, meeting culture. All these standardised ethical behaviours and code of conducts are aimed to foster professional, creative, and friendly working environment and establish the image of the Company’s dynamic and civilized employees.

OCCUPATIONAL HEALTH AND SAFETY AND WELFARE POLICY FOR EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY

To maintain occupational health and safety for all employees, AAA regularly updates and strictly obeys the provisions of the law on occupational health and safety issues. The Company collects latest information on potential hazards that may occur during the production process and makes public announcements to all employees accordingly. The Company restricts or conducts special supervision when it is imperative to use chemicals that are potentially hazardous to the health of employees, as well as apply tight control of production processes to minimize risks at work for employees.

The Company’s employees are well-equipped with labour protection equipment which are up to quality standards in accordance with laws and are checked regularly to minimize health risks as well as timely detect occupational diseases. Office buildings, manufacturing plants are equipped with fire protection systems including fire alarms, fire extinguishers, faucets, etc ... to promptly respond to emergencies. Every year, AAA organizes training sessions for fire prevention and fighting with the participation of all employees and the local professional fire prevention and fighting team.

No	Item	Unit	Quantity
1	Number of employees get periodic health checks	People	1684
2	Work-related illness		
	No of incidents	Cases	None
	No of employees injured by work-related incidents	People	None
	No of days off due to work-related incidents	Days	None
	No of deaths due to	People	None
3	Work – related diseases		None
	Number of employees with work-related diseases	People	None
	Accumulated number of employees with work-related diseases	People	None

WELFARE POLICY

AAA strives to create favourable working environment, inspiring creativity, and dedication of employees. Therefore, Labour Union and other Unions of the Company take due care of the lives of employees, organizing teamwork activities to foster internal solidarity..

Welfare construction works for employees

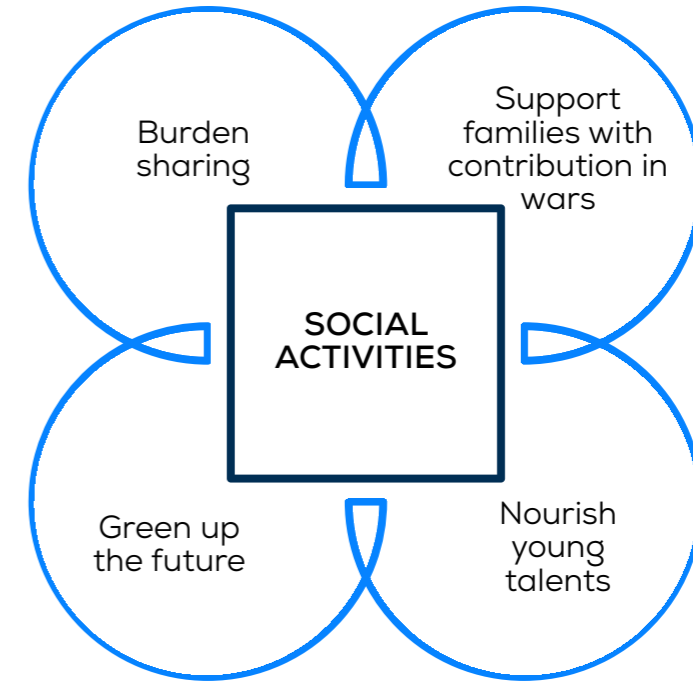
- Plant trees in office area, enabling spacious greenery space;
- Build hall and community living area for employees;
- Establish the dormitory in the Company to provide accommodation for more than 200 employees, supporting employees at remote areas;
- Prepare lunch for employees: The Company's kitchens provide nutritious meals with food hygiene and safety.
- Arrange transportation to take employees to their hometown at Tet holiday.

Internal activities taking care of employees' lives:

- Organize annual meetings with employees' families to help employees' families experience and visit working environment of employees, thereby families create favourable conditions for employees to devote at work;
- Organize annual vacation travel for employees;
- Organize programs to congratulate employees on special holidays and their birthdays;
- Organize visits, supporting employees' families who are in difficulty or sickness;
- Organize fundraising to support families of employees in difficulty;



CONTRIBUTION TO THE COMMUNITY'S DEVELOPMENT



SHARING DIFFICULTIES WITH THE COMMUNITY

LOVE AND SHARING - REPAYING THOSE WHO HAVE CONTRIBUTED - NURTURING TALENTS

In 2023, An Phat Holdings and its members continue to promote solidarity, mutual affection, and contribute resources to support those in difficult circumstances, contributing to the local social welfare. Annual social welfare activities include:

- Giving gifts to families of employees facing difficulties
- Supporting warm Tet programs for children, spreading warmth and kindness locally
- Supporting funds for women's associations, poor funds, and senior citizen associations
- Sponsoring local educational funds

BUILDING A GREEN FUTURE

In 2023, AAA continues steadfastly on its journey to build a green future. Actions throughout the year focus on key objectives:

- Spreading the message of environmental protection to the community: AAA continues to intensify public communication about using environmentally friendly products through television, press, and other channels, actively participating in conferences and forums both domestically and internationally such as the Circular Economy Forum, workshops on realizing the government's commitment to achieving net zero emissions, and participating in trade fairs and organizing business visits for universities.
- Joining efforts to protect the environment and reduce plastic waste: AAA is expanding sales of biodegradable products in the domestic market while sponsoring programs that use conventional plastic products to help shape sustainable consumption habits.

ENVIRONMENTAL IMPACTS

ENVIRONMENTAL IMPACTS

Total direct and indirect greenhouse gas (GHG) emissions: The Company is currently working with several consulting firms to estimate GHG emissions from 2024.

However, the Company identifies sources of greenhouse gas emissions, thereby proposing initiatives and measures to reduce greenhouse gas emissions including:

- Increase the efficiency of using raw materials and energy in production
- Review procedures, constantly optimizing production processes to increase material efficiency and reduce energy consumption
- Increasing the use of renewable materials and energy

MATERIALS

Raw materials used in production and packaging by weight:

No.	item	unit	2022	2023	YoY change (%)
1	Resins	tons	107,356	113,885	6%
2	Printing ink	Ton	896	1,086	21%
3	Carton box	Boxes (thousand)	19,966	19,506	-2%
4	Stamp	Pieces (thousand)	94,904	88,319	-7%
5	Paper core	Pieces (thousand)	38,794	35,257	-9%

The main raw material for packaging production is PE resin derived from non-renewable resources. Therefore, AAA makes continuous production improvements for higher efficiency in material consumption as well as invests in recycling system, utilizing scraps in the production process. In addition, one of key priorities of the Company in coming years is to switch towards compostable packaging products, which helps to reduce the use of raw materials derived from non-renewable resources.

RECYCLED INPUT RAW MATERIALS USED

AAA makes tireless efforts in introducing production initiatives on minimizing scrap rate and increasing recycling rate. As part of production process, scraps are fully recycled.

No	Raw materials	Unit	2023
1	Scrap	%	4.95%
2	Recycling rate	%	100%

ENERGY

Item	Unit	2022	2023	YoY change (%)
Electricity consumption	KWh (Thousand)	74,160	69,331	-7%
Electricity consumption per unit	KWh/kg	0.81	0.73	-10%
Electricity expense	VND Billion	116	108	-7%

Estimates based on monthly electricity bills

Energy saving measures have been implemented as follows

- Invest in energy-saving machinery and equipments
- Calculation, arrangement and selection of equipments with suitable capacity, avoiding under-loaded equipment operation to reduce losses and improve working conditions of equipment.
- Arrange lighting grids reasonably, focus on the necessary points, adjust the lighting time appropriately according to the season, make the most of natural light.
- Arrange production lines reasonably, running equipments at full capacity, avoid underload operation of equipments and machinery.
- Develop and promulgate regulations on energy-saving in all departments and factories.
- Regularly inspect and evaluate the electricity supply and uses, provide technical solutions to strengthen and improve the power grid, ensure safety, reduce losses and save electricity.
- Properly conduct periodical inspection and maintenance of equipments and machinery.
- Replace and use protective devices with high reliability, ensure grid supply and stability.

WATER AND EFFLUENTS

To ensure providing sufficient water in production and daily life, AAA has signed water supply contract with Nam Sach water supply station at Nam Sach district, Haiduong province. The water consumption as follows:

Item	Unit	2022	2023
Total water consumption	m3	88,193	85,183
Total effluents	m3	66,560	68,146

Estimates based on monthly water bills

All wastewater parameters at An Dong cluster meet the allowable standards of QCVN40/2011 by the Ministry of Natural Resources and Environment. The wastewater treatment system is effective. Factory 1 and Factory 5, located in Nam Sach Industrial Park, have connected their wastewater drainage systems to the industrial park's system. The company has signed a contract with Nam Quang Infrastructure Development Joint Stock Company to treat the wastewater before it is discharged into the environment.



EMISSIONS AND EFFLUENTS

ENVIRONMENTAL MANAGEMENT SYSTEM IN COMPLIANCE WITH ISO 14001:2015

AAA attempts to eliminate impacts of the manufacturing process on its surrounding environment. The Company adopts the environmental management system ISO 14001, helping the Company well manage and control environmental hazards, thereby minimizing environmental risks. Also, the Company conducts quarterly environmental monitoring to timely detect environmental risks.

ENVIRONMENTAL MONITORING

The Company has taken measures to prevent environmental pollution in the locality including conducting periodic environmental monitoring and fulfilling regulatory commitments with governing bodies. AAA performs air monitoring and water monitoring at disposal gate 04 times per year. The monitoring results are in safe level according to applicable standards.

- Time: during 15-30th of March, June, September and December
- Frequency: every three months
- Point of monitoring: wastewater at the last discharge gate
- Standard QCVN: QCVN 40:2011/BTNMT,

Wastewater is treated and discharged water complied with regulations. In 2023, the monitoring results at the wastewater and air treatment stations meet standards required by the law.

ENVIRONMENTAL COMPLIANCE

As one of key business strategies is to become a green manufacturer, AAA has established an environmental team who closely monitors the Company's compliance with applicable environmental laws and regulations. Employees are regularly reminded on regulations of saving of energy, as well as environmental sanitation and labor safety.

Environmental monitoring results are quarterly reported to the authorities and other agencies in order to promptly handle violations.

In the year of 2023, AAA made no violation of environmental law:

- Number of penalties: 0 times
- Amount of fine: 0 VND



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AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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THE COMPANY

An Phat Bioplastics Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0403000550 issued by the Department of Planning and Investment of Hai Duong province on 9 March 2007 and the subsequent amended Enterprise Registration Certificates, with the 36th amendment dated 10 April 2023 as the latest.

The Company’s shares have been officially listed and traded at the Ho Chi Minh Stock Exchange (HOSE) since November 2016 with the stock code of AAA.

The current principal activities of the Company are manufacturing and trading of plastic products (PP, PE), plastic packaging, and trading of machinery, supplies, raw materials for plastic production.

The Company’s headquarter is located at Lot CN11+CN12, An Dong Industrial Park, Nam Sach Town, Nam Sach district, Hai Duong province, Vietnam and its representative office is located at Floor 16, PV Oil Tower, 148 Hoang Quoc Viet street, Nghia Tan ward, Cau Giay district, Hanoi, Vietnam.

BOARD OF DIRECTORS

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

Mr Nguyen Le Thang Long	Chairman	
Mr Dinh Xuan Cuong	Member	Resigned on 15 May 2023
Ms Nguyen Thi Tien	Member	
Ms Tran Thi Thoan	Member	
Mr Phan Tri Nghia	Member	
Ms Hoa Thi Thu Ha	Member	Appointed on 15 May 2023

MANAGEMENT

Members of management during the year and at the date of this report are:

Mr Nguyen Le Trung	General Director	
Ms Hoa Thi Thu Ha	Deputy General Director	
Ms Tran Thi Thoan	Deputy General Director	
Mr Ngo Van Thu	Deputy General Director	Resigned on 1 June 2023
Ms Lam Thi Hien	Deputy General Director	Resigned on 1 January 2024
Mr Nguyen Xuan Co	Deputy General Director	Appointed on 1 October 2023

BOARD OF SUPERVISION

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

Ms Nguyen Thi Giang	Head of Board of Supervision
Ms Nguyen Thi Phuong	Member
Ms Van Thi Lan Anh	Member

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2023 to the date of this report is Mr Nguyen Le Trung.

Ms Hoa Thi Thu Ha, Deputy General Director, is authorised by the legal representative to sign the consolidated financial statements in accordance with the Letter of Authorisation No. 1001/2022/UQ dated 10 January 2022.

AUDITOR

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



THE COMPANY

Management of An Phat Bioplastics Joint Stock Company (“the Company”) is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those 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 consolidated financial statements; and
- Prepare the 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 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 consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Hoa Thi Thu Ha
Deputy General Director
Hai Duong, Vietnam
29 March 2024

INDEPENDENT AUDITORS’ REPORT

To: The Shareholders of An Phat Bioplastics Joint Stock Company

We have audited the accompanying consolidated financial statements of An Phat Bioplastics Joint Stock Company (“the Company”) and its subsidiaries (“the Group”), as prepared on 29 March 2024 and set out on pages 6 to 88, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

Management’s responsibility

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

Auditors’ responsibility

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

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

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

Conclusion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited

Trinh Hoang Anh
Deputy General Director
Audit Practising Registration
Certificate No. 2071-2023-004-1
Hanoi, Vietnam
29 March 2024

Ngo Thi Phuong Nhung
Auditor
Audit Practising Registration
Certificate No. 3069-2024-004-1

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		5.681.580.248.153	5.658.759.199.548
110	I. Cash and cash equivalents	5	2.435.058.282.483	1.642.978.052.440
111	1. Cash		1.298.774.919.831	1.228.628.689.780
112	2. Cash equivalents		1.136.283.362.652	414.349.362.660
120	II. Short-term investments	6	1.079.609.986.000	448.656.000.000
123	1. Held-to-maturity investments		1.079.609.986.000	448.656.000.000
130	III. Current accounts receivable		1.204.888.211.832	1.572.889.266.273
131	1. Short-term trade receivables	7.1	687.000.073.407	1.020.327.735.573
132	2. Short-term advances to suppliers	7.2	342.180.956.924	248.850.786.806
135	3. Short-term loan receivables	8	62.876.744.806	176.995.600.000
136	4. Other short-term receivables	9	137.946.421.270	139.270.972.657
137	5. Provision for doubtful short-term receivables	10	(25.115.984.575)	(12.555.828.763)
140	IV. Inventories	11	781.680.229.197	1.790.091.357.848
141	1. Inventories		783.390.158.893	1.861.071.739.241
149	2. Provision for obsolete inventories		(1.709.929.696)	(70.980.381.393)
150	V. Other current assets		180.343.538.641	204.144.522.987
151	1. Short-term prepaid expenses	12	13.138.650.715	10.079.638.639
152	2. Value-added tax deductible		164.269.427.413	183.967.466.895
153	3. Tax and other receivables from the State	20	2.935.460.513	10.097.417.453

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		5.901.865.257.763	5.137.073.482.164
210	I. Long-term receivables		82.297.269.278	66.843.405.856
211	1. Long-term trade receivables	7.1	-	50.167.619.216
215	2. Long-term loan receivables	8	77.154.150.000	940.160.000
216	3. Other long-term receivables	9	5.143.119.278	15.735.626.640
220	II. Fixed assets		2.012.981.059.510	2.077.430.539.271
221	1. Tangible fixed assets	13	1.863.866.579.072	2.000.004.299.809
222	Cost		3.825.525.516.174	3.706.995.504.215
223	Accumulated depreciation		(1.961.658.937.102)	(1.706.991.204.406)
227	2. Intangible fixed assets	14	149.114.480.438	77.426.239.462
228	Cost		176.314.890.302	99.816.162.970
229	Accumulated amortisation		(27.200.409.864)	(22.389.923.508)
230	III. Investment properties	15	1.317.994.843.520	497.283.341.861
231	1. Cost		1.467.632.350.176	599.918.829.247
232	2. Accumulated depreciation		(149.637.506.656)	(102.635.487.386)
240	IV. Long-term assets in progress		296.545.648.857	693.446.604.066
242	1. Construction in progress	16	296.545.648.857	693.446.604.066
250	V. Long-term investments	17	1.328.109.477.624	1.493.973.537.488
252	1. Investments in associates		1.328.109.477.624	1.463.973.537.488
255	1. Held-to-maturity investments		-	30.000.000.000
260	VI. Other long-term assets		863.936.958.974	308.096.053.622
261	1. Long-term prepaid expenses	12	801.659.156.249	270.203.822.136
262	2. Deferred tax assets	33.4	14.479.007.591	5.422.640.490
269	3. Goodwill	18	47.798.795.134	32.469.590.996
270	TOTAL ASSETS		11.583.445.505.916	10.795.832.681.712

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		5.619.574.565.686	4.624.647.264.247
310	I. Current liabilities		3.737.041.187.457	3.206.482.597.038
311	1. Short-term trade payables	19.1	517.381.867.012	754.557.899.880
312	2. Short-term advances from customers	19.2	119.139.197.505	146.454.658.944
313	3. Statutory obligations	20	17.885.562.142	5.234.935.235
314	4. Payables to employees		35.061.256.954	49.919.877.822
315	5. Short-term accrued expenses	21	133.779.599.628	16.905.062.522
318	6. Short-term unearned revenues	22	116.182.822.055	97.767.880.924
319	7. Other short-term payables	23	168.620.540.558	224.657.132.442
320	8. Short-term loans	24	2.625.493.361.179	1.887.821.444.978
322	9. Bonus and welfare fund	26	3.496.980.424	23.163.704.291
330	II. Non-current liabilities		1.882.533.378.229	1.418.164.667.209
331	1. Long-term trade payables	19.1	-	488.265.008
333	2. Long-term accrued expenses	21	-	7.317.780.823
336	3. Long-term unearned revenues	22	1.498.211.375.163	157.369.765.181
337	4. Other long-term liabilities	23	8.828.368.337	10.620.132.185
338	5. Long-term loans	24	358.856.724.282	1.242.368.724.012
341	6. Deferred tax liabilities	33.4	12.438.709.938	-
342	7. Provision for long-term payables	25	4.198.200.509	-
400	D. OWNERS' EQUITY		5.963.870.940.230	6.171.185.417.465
410	I. Capital	27	5.963.870.940.230	6.171.185.417.465
411	1. Issued share capital		3.822.744.960.000	3.822.744.960.000
411a	- Ordinary shares with voting rights		3.822.744.960.000	3.822.744.960.000
412	2. Share premium		823.946.323.817	823.946.323.817
414	3. Other owners' capital		18.751.291.534	44.744.930.000
417	4. Foreign exchange differences reserve		22.441.429.244	13.104.043.604
418	5. Investment and development fund		80.481.616.464	80.481.616.464
420	6. Other funds belonging to owners' equity		13.177.404.323	13.177.404.323
421	7. Undistributed earnings		562.622.505.805	721.688.030.767
421a	- Undistributed earnings accumulated to the end of prior year		273.211.957.121	628.413.402.158
421b	- Undistributed earnings of current period/prior year		289.410.548.684	93.274.628.609
429	8. Non-controlling interests		619.705.409.043	651.298.108.490
440	TOTAL OWNERS' EQUITY		11.583.445.505.916	10.795.832.681.712

Do Hoai Linh
Preparer
Hai Duong, Vietnam
29 March 2024

Nguyen Thi Thuy Van
Chief Accountant

Hoa Thi Thu Ha
Deputy General Director

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	28.1	12.628.191.473.898	15.314.698.238.896
02	2. Deductions	28.1	(6.677.328.951)	(24.401.165.809)
10	3. Net revenue from sale of goods and rendering of services	28.1	12.621.514.144.947	15.290.297.073.087
11	4. Cost of goods sold and services rendered	29	(11.512.820.822.177)	(14.204.057.189.374)
20	5. Gross profit from sale of goods and rendering of services		1.108.693.322.770	1.086.239.883.713
21	6. Finance income	28.2	242.681.115.061	214.482.862.553
22	7. Finance expenses	30	(239.294.342.399)	(257.402.705.272)
23	<i>In which: Interest expenses</i>		(190.476.045.845)	(173.679.772.675)
24	8. Shared profit from associate	16.1	52.941.132.765	57.678.939.569
25	9. Selling expenses	31	(511.055.878.824)	(666.097.260.650)
26	10. General and administrative expenses	31	(285.281.847.427)	(247.607.549.844)
30	11. Operating profit		368.683.501.946	187.294.170.069
31	12. Other income	32	16.181.309.264	8.605.911.082
32	13. Other expenses	32	(6.969.256.261)	(9.833.969.448)
40	14. Other profits/(losses)	32	9.212.053.003	(1.228.058.366)
50	15. Accounting profit before tax		377.895.554.949	186.066.111.703
51	16. Current corporate income tax expenses	34.1	(77.937.805.250)	(72.085.473.962)
52	17. Deferred tax income	34.3	9.236.073.435	3.310.630.196
60	18. Net profit after tax		309.193.823.134	117.291.267.937
61	19. Net profit after tax attributable to shareholders of the parent company		289.410.548.684	152.599.331.716
62	20. Net profit/(loss) after tax attributable to non-controlling interests		19.783.274.450	(35.308.063.779)
70	21. Basic earnings per share	35	757	408
71	22. Diluted earnings per share	35	757	408

Do Hoai Linh
Preparer
Hai Duong, Vietnam
29 March 2024

Nguyen Thi Thuy Van
Chief Accountant

Hoa Thi Thu Ha
Deputy General Director

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		377.895.554.949	186.066.111.703
Adjustments for:				
02	Depreciation of tangible fixed assets and investment properties and amortisation of intangible fixed assets (including amortisation of goodwill)		330.970.771.702	311.000.570.200
03	(Reversal of provisions)/provision		(56.710.295.885)	73.936.091.176
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		(12.523.193.184)	(4.669.068.884)
05	Profits from investing activities		(231.549.336.110)	(156.540.830.449)
06	Interest expenses (including bond and loan issuance cost)		210.817.673.605	181.957.153.241
08	Operating profit before changes in working capital		618.901.175.077	591.750.026.987
09	Decrease in receivables		493.380.052.845	304.186.124.644
10	Decrease/(increase) in inventories		934.094.908.854	(847.407.721.366)
11	Increase in payables		897.226.271.918	327.368.540.329
12	(Increase)/decrease in prepaid expenses		(49.793.260.364)	51.049.352.896
14	Interest paid		(189.465.740.542)	(170.167.746.226)
15	Corporate income tax paid	20	(60.118.099.537)	(115.734.842.267)
17	Other cash outflows for operating activities	26	(29.009.489.738)	(43.948.524.571)
20	Net cash flows from operating activities		2.615.215.818.513	97.095.210.426
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase, construction of fixed assets and other long-term assets		(643.183.016.027)	(168.326.440.417)
22	Proceeds from disposals of fixed assets and other long-term assets		8.127.328.351	5.988.373.461
23	Loans to other entities, payments for purchase of debt instruments of other entities		(2.260.926.390.806)	(627.265.480.000)
24	Collections from borrowers, proceeds from sale of debt instruments of other entities		1.870.983.530.000	566.435.708.400
25	Payments for investments in other entities (net of cash hold by entity being acquired)		(747.422.914.038)	(954.294.817.247)
26	Proceeds from sale of investments in other entities		1.700.000.000	400.000.000
27	Interest and dividends received		171.361.258.250	83.303.941.711
30	Net cash flows used in investing activities		(1.599.360.204.270)	(1.093.758.714.092)

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Capital contribution and issuance of shares	27.1	-	854.220.890.000
33	Drawdown of borrowings		6.422.374.307.663	7.891.352.976.594
34	Repayment of borrowings		(6.658.111.047.622)	(8.114.479.429.801)
36	Dividends paid		(127.343.500)	(152.250.000)
40	Net cash flows from financing activities		(235.864.083.459)	630.942.186.793
50	Net decrease in cash for the period		779.991.530.785	(365.721.316.873)
60	Cash and cash equivalents at the beginning of the period		1.642.978.052.440	1.988.170.740.182
61	Impact of exchange rate fluctuation		12.088.699.258	20.528.629.131
70	Cash and cash equivalents at the end of the period	4	2.435.058.282.483	1.642.978.052.440

 Do Hoai Linh
 Preparer
 Hai Duong, Vietnam
 29 March 2024

 Nguyen Thi Thuy Van
 Chief Accountant

 Hoa Thi Thu Ha
 Deputy General Director

1. CORPORATE INFORMATION

An Phat Bioplastics Joint Stock Company (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate No. 0403000550 issued by the Department of Planning and Investment of Hai Duong province on 9 March 2007, and the subsequent amended Enterprise Registration Certificates, with the 36th amendment dated 10 April 2023 as the latest.

The Company’s shares have been officially listed and traded at the Ho Chi Minh Stock Exchange (HOSE) since November 2016 under the stock code of AAA.

The current principal activities of the Company are manufacturing and trading of plastic products (PP, PE), plastic packaging, and trading of machinery, supplies, raw materials for plastic production. The current principal activities of subsidiaries are in Note 1.

The business cycle of investment and development of industrial park infrastructure of the Group may extend over 12 months. Ordinary business cycle for other business activities is 12 months.

The Company’s headquarter is located at Lot CN11+CN12, An Dong Industrial park, Nam Sach town, Nam Sach district, Hai Duong province, Vietnam and its representative office is located at Floor 16, PV Oil tower, 148 Hoang Quoc Viet street, Nghia Tan ward, Cau Giay district, Hanoi, Vietnam.

An Phat Holdings Joint Stock Company (“An Phat Holdings Company”) is the highest parent company. An Phat Holdings Company and its subsidiaries are collectively referred to as the “Group”.

The number of the Company’s employees as at 31 December 2023 is 2,928 (31 December 2022: 2,861).

CORPORATE STRUCTURE

As at 31 December 2023, the Company has 11 subsidiaries (31 December 2022: 9 subsidiaries) with details are as follows:

No.	Company	31 December 2023		31 December 2022		Location	Principal activities
		Equity interest (%)	Voting rights (%)	Equity interest (%)	Voting rights (%)		
1	An Tien Industries Joint Stock Company (“HII” or “An Tien Company”)	54,85%	54,85%	54,85%	54,85%	Southern Industrial park, Van Tien commune, Yen Bai city, Yen Bai province, Vietnam.	Manufacturing plastic products, additives and stone powder
2	An Phat High-Technology Industrial Park Joint Stock Company (“An Phat Complex Company”)	93,04%	93,04%	92,02%	92,02%	An Phat Complex Industrial Park, Km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Industrial park infrastructure development
3	An Thanh Bicsol Singapore PTE. Ltd (“An Thanh Singapore Company”) (i)	54,85%	100%	54,85%	100%	No. 8, Temasek Boulevard # 44-00 Suntec Tower Three, Singapore.	Plastic beads trading

No.	Company	31 December 2023		31 December 2022		Location	Principal activities
		Equity interest (%)	Voting rights (%)	Equity interest (%)	Voting rights (%)		
4	An Thanh Bicsol Joint Stock Company (“An Thanh Company”) (i)	76,66%	99,69%	76,66%	99,69%	An Phat Complex Industrial Park, Km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Plastic beads PP, PE, PS, PVS, ABS... wholesale
5	An Tin Inter - Transport Joint Stock Company (“An Tin Company”) (i)	94,7%	99,99%	46,93%	51%	Lot CN11+CN12, An Dong Industrial Complex, Nam Sach Town, Nam Sach District, Hai Duong Province, Vietnam.	Transportation of goods by road, coastal and ocean freight
6	An Phat High-Tech Industrial Park No.1 Joint Stock Company (“An Phat Complex 1 Company”) (i)	99,95%	99,95%	99,95%	99,95%	An Phat Complex Industrial Park, Km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Industrial park infrastructure development and trading
7	An Vinh Packaging Joint Stock Company (“An Vinh Company”)	99,95%	99,95%	99,95%	99,95%	An Phat Complex Industrial Park, Km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Manufacturing and trading plastic products
8	An Phat International, Inc.	99,99%	99,99%	99,99%	99,99%	10701 Corporate Drive, Suite 268, Stafford, Texas 77477, USA.	Investing, trading low density films and other plastic products
9	AFC EcoPlastics, LLC.	75%	75%	75%	75%	PO Box 1831 Austin, Texas 78767, USA.	Plastic beads trading
10	PBAT An Phat Joint Stock Company (“PBAT Company”) (i)	39,72%	55%	-	-	Lot CN5-04 Non-tariff area and Nam Dinh Vu Industrial Park belongs to Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 ward, Hai An district, Hai Phong city, Vietnam.	Manufacturing products from plastic and synthetic rubber in primary forms
11	Ankor Bioplastics Co., Ltd (“Ankor Company”) (i)	20,26%	51%	-	-	216, Munmakgongdan-gil, Munmak-eup, Wonju-si, Gangwon-do, Republic of Korea (26362).	Manufacturing products from plastic and degradable plastic

(i) The Company’s equity interest in subsidiaries and voting rights differs because the Company controls these subsidiaries directly and/or indirectly through other subsidiaries.

2. BASIS OF PREPARATION

2.1 ACCOUNTING STANDARDS AND SYSTEM

- The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group"), expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 - Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:
- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying 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 consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 APPLIED ACCOUNTING DOCUMENTATION SYSTEM

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

2.3 FISCAL YEAR

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

2.4 ACCOUNTING CURRENCY

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

2.5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2023.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases, except where the parent company's control is temporary when the subsidiary is only acquired and held for resale purposes for a period not exceeding 12 months.

The financial statements of the subsidiaries are prepared for the same reporting year 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 Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and short-term, highly liquid investments with an original maturity of not more 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 INVENTORIES

Inventories related to plastic products

Inventories are measured at their historical costs. The cost of inventories comprise costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

Net realisable value ("NRV") 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, consumables, goods for resale, tools and spare parts - cost of purchase on a weighted average basis.

Finished goods and work-in process, - cost of finished goods, semi-products on a weighted average basis.

Real estate properties

Blindustrial real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Cost of real estate properties for sales comprise direct cost incurred on real estate properties and overheads allocated on the basis of the corresponding area of those properties, specifically as follow:

- Auction cost of land use right;
- Amounts paid to contractors for construction; and
- Capitalized borrowing costs, consultancy and design costs, costs of site restoration, overhead administrative expenses, construction of road and drainage system, tree plant and other related expenses.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs to complete and the estimated costs necessary to make the sale.

The cost of real estate properties for sales is recognised in the consolidated income statement based on the specific identification method.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (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 consolidated balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.

3.3 RECEIVABLES

Receivables are presented in the 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 recoverable. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

3.4 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its 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 consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the net carrying amount) is included in the consolidated income statement.

3.5 INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions and improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the net carrying amount) is included in the consolidated income statement.

3.6 LEASED ASSETS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Các khoản tiền thuê theo hợp đồng thuê hoạt động được hạch toán vào báo cáo kết quả hoạt động kinh doanh hợp nhất theo phương pháp đường thẳng trong thời hạn của hợp đồng thuê.

Where the Group is the lessor

Assets subject to operating leases are included as the Group' fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in prepaid expense and amortised to the consolidated income statement over the lease term.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.7 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	3 - 50 years
Machinery and equipment	2 - 15 years
Means of transportation	3 - 15 years
Office equipment	3 - 10 years
Perennial plants, working animals to generate products	5 - 30 years
Other tangible fixed assets	3 - 30 years
Land use rights	18 - 49 years
Computer software	3 - 10 years

The Company does not amortise intangible fixed assets that are indefinite-life land use rights.

3.8 INVESTMENT PROPERTIES

Investment properties are carried at cost including initial costs less accumulated amortisation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net carrying value of the investment property when it is probable that future economic benefits, in excess of the originally assessed level of performance of the existing investment property, will flow to the Group.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 47 years
Machinery and equipment	6 - 10 years
Means of transportation	6 years
Others	6 - 10 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the initial cost or the net carrying value of the property for subsequent accounting at the date of change in use.

For long-term investment properties with rental payments received in advance for many periods, the revenue is recognized at a point of time for the entire rental amount received in advance as presented in Note 3.17, the depreciation and amortisation of these investment properties are recorded in full at the same time as the revenue is recorded.

3.9 BORROWING COSTS

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds of the Group. Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 PREPAID EXPENSES

Prepaid expenses are reported as short-term or long-term prepaid expenses on the 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.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the consolidated income statement:

- Land use right corresponding to the leased or used land lots;
- Land and infrastructure rental fee;
- Tools and consumables with large value issued into production and used for more than one year;
- Substantial expenditure on fixed asset overhaul; and
- Other expenses.

Prepaid land rental fees

Prepaid land rental fees include the unamortised balance of rental fees paid based on land rental contracts of the Group. Based on Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, the aforementioned prepaid land rental fees are recorded as long-term prepaid expense and are allocated to expense during the remaining time of rental contract.

Prepaid land lease contracts of the Group include:

- The Company's land lease contract signed with the People's Committee of Hai Duong province on 11 March 2022 for a period of 45 years;
- An Thanh Company's term land use right was granted by the People's Committee of Hai Duong province and the land lease contract signed with Le Viet Joint Stock Company in 2018 for a period of 37 years;
- An Vinh Company's term land use right was granted by the People's Committee of Hai Duong province in 2019 for a period of 37.5 years;
- The land use right of An Phat Complex Company was granted by the People's Committee of Hai Duong province in 2007 for a period of 50 years;
- The term land use right of An Phat Complex 1 Company was granted by the People's Committee of Hai Duong province in 2022 for a period of 50 years; and
- The term land use right of PBAT Company was granted by the Nam Dinh Vu Industrial Park Management Board and the land lease contract signed with Sao Do Investment Group in 2022 for a period of 38 years.

3.11 BUSINESS COMBINATIONS AND GOODWILL

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.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over estimated useful period on a straight-line basis but not exceed 10 years. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated financial statement.

Business combinations involving entities under common control

HA business combination involving entities under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The entity may be controlled by an individual or group of individuals under a contractual agreement.

Business combinations involving entities under common control are accounted for as follows:

- The assets and liabilities of the two combined entities are reflected at their carrying amounts on the date of business combination;
- No goodwill is recognised from the business combination;
- The consolidated income statement reflects the results of the combined entities from the date of the business combination; and
- Any difference between the consideration paid and the net assets of the acquiree is recorded in equity.

3.12 INVESTMENTS

Investments in associates

Investment in associates 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 at least 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associates. 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 share of post-acquisition profit/(loss) of the associates is presented on face of the 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/profit sharing receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates 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.

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 balance sheet date.

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

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the consolidated income statement and deducted against the value of such investments.

3.13 PAYABLES AND ACCRUALS

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

3.14 ADVANCES FROM CUSTOMERS

Payments received from customers as deposits for the purchase of properties in the future that do not meet the conditions for revenue recognition, are recognised and presented as "Advances from customers" in the liability section in the consolidated balance sheet.

3.15 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;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and

- Property purchases or expenses that are immediately paid in foreign currencies (not through accounts payable) are accounted at the buying exchange rate of the commercial bank where the Company makes the payment.
- At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the 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 consolidated income statement.
- The financial statements of subsidiary operating oversea using accounting currency (foreign currency) other than the Company and other subsidiaries' accounting currency (VND), are converted into VND for consolidation purpose based on:
 - Assets and liabilities are converted accordingly at the buying and selling exchange rates of the commercial bank where the Group regularly conducts transactions at the end of the period;
 - Revenue, other income and expenses are converted at the exchange rate at the transaction date, or the average exchange rate if the average exchange rate differs by no more than 2% compared to the exchange rate at the time of the transaction; and
 - All foreign exchange differences on the conversion of the subsidiary's foreign currency financial statements for consolidation purposes are recognized in the item "Foreign exchange differences" under the owners' equity on the consolidated balance sheet and is charged to the consolidated income statement when the investment in subsidiary is disposed.

3.16 APPROPRIATION OF NET PROFITS

Net profit after tax is available for appropriation to shareholders after approval in the Annual General Shareholders' Meeting, and after making appropriation to reserve funds in accordance with the Group's Charters and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Shareholders' Meeting.

Investment and development fund

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

Bonus and welfare fund

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

Other funds

The funds are appropriated in accordance with the resolutions of the Annual General Shareholders' Meeting in the fiscal years for the purpose of additional reserve for charter capital.

3.17 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.

Rental income

(i) *Real estate rental income in case the Group leases land from the State in the form of one-time land lease from the State for the entire lease term*

For lease of assets which the Group receives rental fee in advance for many periods and the lease periods cover more than 90% of the useful life of the assets, rental income is recognised at a point of time for the entire rental amount received in advance when all these conditions are met:

- The lessee is not entitled to cancel the lease contract and the Group has no obligation to repay the amount received in advance in all cases and in all forms;
- The amount received in advance from the lease is not less than 90% of the total rental amount expected to be fulfilled under the contract during the lease term and the lessee must pay the entire amount of lease within 12 months from the beginning of the lease;
- Almost all the risks and benefits associated with ownership of the leased asset are transferred to the lessee; and
- The Group must estimate relatively the full cost of the lease.

For remaining rental cases:

Revenue under operating lease of asset contract is recognised in consolidated income statement on a straight-line basis over the lease term.

(ii) *Real estate rental income in case the Group leases land from the State in the form of annual payment for land leased by the State*

For lease of assets which the Group receives rental fee in advance for many periods, the Group recognizes revenue using the straight-line method over the lease term.

(iii) *Rental income from other assets*

Revenue under operating lease of asset contract is recognised to the consolidated income statement on a straight-line basis over the lease term.

Rendering of services

When the outcome of the contract can be determined with certainty, revenue from the provision of services shall be recognized based on the degree of completion of the work. Work completion is determined by the amount of service performed.

If the contract outcome cannot be determined with certainty, revenue will be recognized only to the recoverable extent of the recognized costs.

Interest

Income 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 Group's entitlement as an investor to receive the dividend is established.

3.18 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 consolidated balance sheet date.

Current income tax is charged or credited to the 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 consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for 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; and
- in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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; and
- in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated 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 tax asset to be utilised. Previously unrecognised deferred tax assets are reassessed at each consolidated 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 consolidated balance sheet date.

Deferred tax is charged or credited to the 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.

3.19 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.

3.20 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). Each of these segments is subject to risks and returns that are different from those of other segments.

The Group's business segments are mainly determined based on the sale of plastic products, plastic packaging of all kinds and commercial trading of consumables and raw materials for plastic products, leasing land and industrial park infrastructure, while revenue from other activities accounts for a small proportion of the Group's total revenue. Therefore, the Board of General Directors identifies segments according to the business activities of the Group of Companies including manufacturing activities, commercial business activities, leasing land and industrial park infrastructure activities and other activities. The Board of General Directors determines the geographical segments of the Group based on the location of assets.

3.21 RELATED PARTIES

Parties are considered to be related parties of the Group if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial 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.

4. SIGNIFICANT EVENTS

4.1 ACQUISITION OF PBAT COMPANY

On 23 February 2023, the Company has completed the acquisition of an additional 5,300,000 shares of PBAT Company and increased its ownership in PBAT Company to 21.15%.

On 29 June 2023, An Tien Company - a subsidiary of the Company has completed the transaction to acquire an additional 2,000,000 shares of PBAT Company, increasing this subsidiary's ownership in PBAT Company to 33.85%. Accordingly, PBAT Company officially became a subsidiary of the Company because the Company holds 55% of voting rights.

PBAT Company was established under the Joint Stock Company Business Registration Certificate No. 0202084468 issued for the first time on 18 January 2021 by the Department of Planning and Investment of Hai Phong province and according to the subsequent amended Joint Stock Company Business Registration Certificates with the most recent amendment dated 13 January 2023. The Company's headquarter is located at Lot CN5-04 Non-tariff area and Nam Dinh Vu Industrial Park in the Economic Zone Dinh Vu - Cat Hai, Dong Hai 2 ward, Hai An district, Hai Phong city, Vietnam and main activity is the production of plastic and synthetic rubber in primary forms.

The Board of General Directors assesses that this is a business combination transaction under common control. Accordingly, the net asset value of the subsidiary is consolidated according to the book value at the date of acquisition. The difference between the consideration paid and the net assets of the acquiree was recognized in the consolidated equity in the consolidated financial statements with the amount of VND 25.9 billion.

4.2 ACQUISITION OF ANKOR COMPANY

As of 30 June 2023, PBAT Company, a subsidiary of the Company, has completed the acquisition of 86,982 shares of Ankor Company, corresponding to an interest rate of 47% from a corporate partner. Also on 30 June 2023, this partner authorized PBAT Company to exercise all shareholder rights of another 6,691 shares of Ankor Company, corresponding to 4% of voting rights at this company. Accordingly, PBAT Company holds a total voting rights of 51% at Ankor Company and Ankor Company has become an indirect subsidiary of the Company from 30 June 2023.

Ankor Company was established under the Limited Liability Company Business Registration Certificate No. 141211 - 0063473 for the first time on 17 December 2012 and according to the subsequent amended Joint Stock Company Business Registration Certificates with the most recent amendment dated 24 July 2023. The main activities of this company are production and development of compostable products, and simultaneously implementation the research and development center of An Phat Company in the field of environmental friendly materials and products. The Company's headquarter is located at 216, Munmakgongdangil, Munmak-eup, Wonju city, Gangwon-Do, South Korea.

The fair value of Ankor Company's net assets is determined at the acquisition date as follows:

Currency: VND

	The fair value at the acquisition date
Assets	
Cash and cash equivalents	3,835,815,727
Current accounts receivable	22,403,446,064
Inventories	20,182,487,004
Other current assets	101,744,592
Long-term receivables	1,471,491,365
Tangible fixed assets	98,389,410,817
Intangible fixed assets	72,798,386,525
Other long-term assets	2,156,800,398
	221,339,582,492
Liabilities	
Short-term trade payables	37,157,838,429
Short-term advances from customers	21,676,338,827
Other short-term payables	4,840,031,643
Short-term loans	26,255,179,260
Long-term loans	20,577,617,329
Short-term provisions	5,204,350,090
Long-term trade payables	72,856,777,726
Deferred tax liabilities	12,401,731,962
Total identifiable net assets at the fair value	20,369,717,226
Non-controlling interests	20,223,612,691
Goodwill arising on acquisition (Note 18)	20,389,670,083
Total cash consideration	60,983,000,000
<i>In which:</i>	
- Consideration paid by non-controlling shareholders	36,761,970,621
- Consideration fee paid by shareholders of the parent company	24,221,029,379
Cash flow from acquisition of subsidiary	
Cash inflow from acquired subsidiary	3,835,815,727
Cash outflow from acquired subsidiary	(60,983,000,000)
Net cash flow paid for acquisition	(57,147,184,273)

Ankor Company's profit and loss before tax during the year and before the acquisition date were respectively VND 61 billion and VND 13 billion.

Then on 15 August 2023, PBAT Company completed the purchase of an additional 6,691 shares of Ankor Company, thereby, increasing the Group's interest rate in Ankor Company to 20.26%.

4.3 INCREASE OWNERSHIP RATIO IN AN PHAT COMPLEX COMPANY, AN EXISTING SUBSIDIARY

During the year, the Company has completed the acquisition of 1,020,000 shares of An Phat Complex Company from a shareholder of this subsidiary with the consideration of VND 12.2 billion and thereby, increased the Company's ownership ratio in the company to 93.04%. The difference between the consideration paid and the increased ownership in the net assets of An Phat Complex Company, which is VND 2.4 billion, was recognized in undistributed profits.

4.4 INCREASE OWNERSHIP RATIO IN AN PHAT COMPLEX 1 COMPANY, AN EXISTING SUBSIDIARY

On 14 November 2023, the Company has completed the acquisition of 9,000,000 shares of An Phat Complex 1 Company, corresponding to the interest rate of 24%, with an acquisition consideration of VND 295.5 billion from a business partner. At the same time, on 22 November 2023, An Phat Complex Company has completed the acquisition of 9,375,000 shares of An Phat Complex 1 Company, corresponding to the interest rate of 25%, with an acquisition consideration of VND 307.8 billion. Accordingly, the Company holds a total ownership rate of 94.7% and a voting rate of 99.9% at An Phat Complex 1 Company. The difference between the consideration paid and the increased ownership in the net assets of An Phat Complex 1 Company is VND 420 billion, was recognized in undistributed profits.

5. CASH AND CASH EQUIVALENTS

Currency: VND

	Ending balance	Beginning balance
Cash on hand	1,063,590,504	2,456,015,002
Cash at banks	1,297,711,329,327	1,224,456,066,424
Cash in transfer	-	1,716,608,354
Cash equivalents (*)	1,136,283,362,652	414,349,362,660
TOTAL	2,435,058,282,483	1,642,978,052,440

Cash equivalents represent deposits in VND and USD in commercial banks with terms ranging from 7 days to 3 months and earn interest rates from 0.5% to 7.1% per annum in VND (31 December 2022: from 4.3% to 6.9% per annum in VND) and 0% per annum in USD.

Certain deposits at commercial banks amounting to VND 137.6 billion have been secured for loans obtained from banks of the Group as disclosed in Note 24.

The Company also has a blocked payment amount with a total value of 1.5 million USD (equivalent to VND 36.12 billion at the exchange rate as of 31 December 2023) that is being used as the collateral for credit facility for the payment obligations of An Phat International, Inc., a subsidiary of the Company, with a commercial bank.

6. SHORT-TERM INVESTMENT

Currency: VND

	Ending balance			Beginning balance		
	Cost	Carrying value	Provision	Cost	Carrying value	Provision
Term deposit (i)	1,079,609,986,000	1,079,609,986,000	-	23,656,000,000	23,656,000,000	-
Bonds are committed to repurchase	-	-	-	425,000,000,000	425,000,000,000	-
TOTAL	1,079,609,986,000	1,079,609,986,000	-	448,656,000,000	448,656,000,000	-
TỔNG CỘNG	1.079.609.986.000	1.079.609.986.000	-	448.656.000.000	448.656.000.000	-

(i) These are deposits at commercial banks and and VPS Securities Joint Stock Company with a term of 5 to 12 months and earn interest rates from 4.4% per annum to 9.5% per annum (as at 31 December 2022: from 4% per annum to 9.5% per annum in VND and no USD).

Certain deposits at commercial banks amounting to VND 9 billion have been secured for loans obtained from banks of the Group as disclosed in Note 24.

7. TRADE RECEIVABLES AND SHORT-TERM ADVANCES TO SUPPLIERS

7.1 TRADE RECEIVABLES

Currency: VND

	Ending balance	Beginning balance
Short-term		
Receivables from production and trading of plastic beads and packaging	655,591,185,334	963,603,825,620
Receivables from shares transfer	-	54,492,480,000
Receivables from long-term lease of land and industrial park infrastructure	1,241,804,469	2,231,429,953
Receivables from other services	30,167,083,604	-
TOTAL	687,000,073,407	1,020,327,735,573
Provision for doubtful receivables	(24,682,993,887)	(12,122,838,075)
In which:		
Trade receivables from other parties	671,123,477,381	847,053,775,236
Trade receivables from related parties (Note 35)	15,876,596,026	173,273,960,337
Long-term		
Trade receivables from related parties (Note 35)	-	50,167,619,216
TOTAL	-	50,167,619,216

Certain receivables of the Group have been used as collateral for loans obtained from banks of the Group as disclosed in Note 24.

Details of movements of provisions for doubtful receivables:

Currency: VND

	Ending balance	Beginning balance
Beginning balance	12,122,838,075	11,687,079,429
Add: Provision made during the period	14,988,119,012	435,758,646
Less: Utilisation of provision during the period	(2,427,963,200)	-
Ending balance	24,682,993,887	12,122,838,075

7.2 SHORT-TERM ADVANCES TO SUPPLIERS

Currency: VND

	Ending balance	Beginning balance
Advances to other suppliers	335,041,284,379	232,405,588,520
Advances to related parties (Note 35)	7,139,672,545	16,445,198,286
TOTAL	342,180,956,924	248,850,786,806

8. LOAN RECEIVABLES

Currency: VND

	Ending balance	Beginning balance
Short-term		
Loan to other parties (*)	21,876,744,806	105,482,160,000
Loan to related parties (Note 35) (**)	41,000,000,000	71,513,440,000
TOTAL	62,876,744,806	176,995,600,000
Long-term		
Loan to other parties	3,621,150,000	940,160,000
Loan to related parties (Note 35) (**)	73,533,000,000	-
TOTAL	77,154,150,000	940,160,000

(*) Details of loan receivables to other parties are presented as follows:

Borrowers	Ending balance (VND)	Original currency amount (USD)	Principal and interest repayment term	Interest rate (% per annum)	Collateral
Short-term					
Stafford Logistics Group LLC	3,417,544,806	141,566	Maturity dates of principal are from January 2024 to May 2024. Interest and principal are collected simultaneously.	10%	Transport vehicles include four chasis vehicles from Stafford
ANI Construction Joint Stock Company	18,459,200,000		Maturity dates of principal are from January 2024 to June 2024. Interest and principal are collected simultaneously.	6.5% - 7%	Unsecured
TOTAL	21,876,744,806				
Long-term					
Longevity Investment LLC	3,621,150,000	150,000	Maturity dates of principal are on 27 September 2024. Interest and principal are collected simultaneously.		Shares of AFC Ecoplastics, LLC owned by the borrower, equivalent to par value of 300,000 USD
TOTAL	3,621,150,000				

(**) Details of loan receivables to related parties are presented as follows:

Borrowers	Relationship	Ending balance (VND)	Principal and interest repayment term	Interest rate (% per annum)	Collateral
Short-term					
An Phat Holdings Company	Parent company	14,000,000,000	Maturity dates of principal are in December 2024. Interest and principal are collected simultaneously.	9%	Unsecured
An Cuong High-Tech Building Materials Joint Stock Company ("An Cuong Company")	Affiliate	27,000,000,000	Maturity dates of principal are from January 2024 to March 2024. Interest and principal are collected simultaneously.	4% - 6%	Unsecured
TOTAL		41,000,000,000			
Long-term					
An Phat Holdings Company	Parent company	73,533,000,000	Maturity dates of principal are from May 2025 to November 2025. Interest and principal are collected simultaneously.	6 - 8.5%	Unsecured
TOTAL		73,533,000,000			

9. OTHER RECEIVABLES

Currency: VND

	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
Short-term				
Interest receivables	69,437,755,741	-	35,542,140,197	-
Advances to employees	45,855,229,093	-	55,796,573,225	-
Deposits	6,406,224,203	-	11,664,944,078	-
Advance for site clearance	-	-	15,780,801,000	-
Others	16,247,212,233	(432,990,688)	20,486,514,157	(432,990,688)
TOTAL	137,946,421,270	(432,990,688)	139,270,972,657	(432,990,688)
In which:				
Other short-term receivables	116,673,570,303	(432,990,688)	111,931,653,533	(432,990,688)
Other short-term receivables from related parties (Note 35)	21,272,850,967	-	27,339,319,124	-
Long-term				
Compensation for site clearance	698,243,000	-	14,213,893,000	-
Interest receivables	1,316,851,165	-	-	-
Deposits	1,528,637,446	-	1,521,733,640	-
Others	1,599,387,667	-	-	-
TOTAL	5,143,119,278	-	15,735,626,640	-
In which:				
Other long-term receivables	3,826,268,113	-	15,735,626,640	-
Other long-term receivables from related parties (Note 35)	1,316,851,165	-	-	-

10. BAD DEBTS

Currency: VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Phuc Hung Import Export Trading Production Co., Ltd	8,338,103,600	-	8,338,103,600	-
Oriente de Polimeros Industries Ltd	10,347,132,110	-	-	-
Others	6,430,748,865	-	4,352,870,010	135,144,847
TOTAL	25,115,984,575	-	12,690,973,610	135,144,847

11. INVENTORIES

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Inventory related to plastic products				
Raw materials	309,237,823,261	-	602,084,473,204	-
Merchandise goods	105,829,648,718	(1,709,929,696)	714,320,276,134	(70,380,422,640)
Goods in transit	119,087,327,941	-	109,276,288,141	-
Finished goods	141,164,355,803	-	95,134,015,720	(599,958,753)

Tools and supplies	28,077,457,814	-	30,950,794,233	-
Work in process	5,588,020,358	-	5,114,654,886	-
Goods in consignment	60,896,763,723	-	126,828,572,343	-
Real estate inventory				
Infrastructure development costs of industrial park (*)	13,508,761,275	-	177,362,664,580	-
TOTAL	783,390,158,893	(1,709,929,696)	1,861,071,739,241	(70,980,381,393)

(*) Mainly includes development costs of An Phat Complex Industrial Park project.

Movements of provision for obsolete inventories:

Currency: VND

	Current year	Previous year
Beginning balance	70,980,381,393	-
Add: Provision made during the year	1,061,381,731	70,980,381,393
Less: Utilisation and reversal of provision during the period	(70,331,833,428)	-
Ending balance	1,709,929,696	70,980,381,393

Certain inventories amounting to VND 88.2 billion have been used as collateral for the Group's loans as disclosed in Note 24.

12. PREPAID EXPENSES

Currency: VND

	Ending balance	Beginning balance
Short-term		
Tools and supplies	7,538,732,353	4,639,319,556
Others	5,599,918,362	5,440,319,083
TOTAL	13,138,650,715	10,079,638,639
Long-term		
Term land use rights (*)	686,653,468,514	214,054,872,431
Prepaid land rental fees	37,713,833,205	25,793,065,960
Tools and supplies	22,893,707,628	16,902,418,370
Cash discounts	2,021,760,000	2,560,896,000
Overhaul expenses	3,620,943,749	4,557,962,316
Brokerage commission costs	37,867,091,974	-
Others	10,888,351,179	6,334,607,059
TOTAL	801,659,156,249	270,203,822,136

(*) These are land use rights with a term from 37 to 50 years of the Group. Some land use rights with a remaining value of VND 142.5 billion have been used as collateral for the Group's bank loans as disclosed in Note 24.

13. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures	Machineries and equipment	Means of transportation	Office equipment	Perennial plants, working animals to generate products	Others	Total
Cost:							
Beginning balance	1.196.255.994.896	2.127.775.012.122	307.609.404.085	17.437.635.049	19.461.000.000	38.456.458.063	3.706.995.504.215
- New purchase	-	12.025.399.463	10.287.408.737	168.636.364	2.552.880.000	733.268.182	25.767.592.746
- Transfer from construction in progress	4.692.764.557	69.656.840	-	-	-	-	4.762.421.397
- Increase from acquisition subsidiary	19.886.245.572	78.897.951.113	1.644.685.455	39.500.000	-	-	100.468.382.140
- Reclassify	-	(549.114.813)	(13.832.595.325)	-	-	(1.782.933.156)	(16.164.643.294)
- Disposal	-	(2.474.962.387)	-	-	-	(733.268.182)	(3.208.230.569)
- Other decrease	(58.055.913)	-	-	-	-	-	(58.055.913)
- Impact of exchange rate difference from converting oversea subsidiary's report	1.296.130.084	5.397.565.052	240.761.296	28.089.020	-	-	6.962.545.452
Ending balance	1.222.073.079.196	2.221.141.507.390	305.949.664.248	17.673.860.433	22.013.880.000	36.673.524.907	3.825.525.516.174
In which:							
Fully depreciated	20.625.633.735	317.584.647.849	56.436.758.042	3.644.392.787	2.466.500.000	5.125.258.842	405.883.191.255
Accumulated depreciation:							
Beginning balance	262.464.755.584	1.209.259.614.158	192.513.750.242	11.413.422.071	9.371.667.700	21.967.994.651	1.706.991.204.406
- Depreciation for the year	51.422.183.477	175.091.233.610	30.654.393.781	2.226.580.800	1.224.655.471	3.547.391.148	264.166.438.287
- Increase from acquisition subsidiary	-	99.142.879	171.774.538	12.281.808	-	-	283.199.225
- Disposal	-	(440.098.235)	(9.888.191.894)	-	-	(1.261.881.886)	(11.590.172.015)
- Reclassify	-	(338.271.992)	-	-	-	(80.201.205)	(418.473.197)
- Other decrease	(11.985.742)	-	-	-	-	-	(11.985.742)
- Impact of exchange rate difference from converting oversea subsidiary's report	147.729.856	1.994.098.864	79.365.183	17.532.235	-	-	2.238.726.138
Ending balance	314.022.683.175	1.385.665.719.284	213.531.091.850	13.669.816.914	10.596.323.171	24.173.302.708	1.961.658.937.102
Net carrying amount:							
Beginning balance	933.791.239.312	918.515.397.964	115.095.653.843	6.024.212.978	10.089.332.300	16.488.463.412	2.000.004.299.809
Ending balance	908.050.396.021	835.475.788.106	92.418.572.398	4.004.043.519	11.417.556.829	12.500.222.199	1.863.866.579.072

Certain tangible fixed assets with net carrying amount of VND 1,569 billion have been used as collateral for the Group's loans as disclosed in Note 24.

14. INTANGIBLE FIXED ASSETS

Currency: VND

	Land use rights	Copyright, patent	Computers software	Total
Cost:				
Beginning balance	95.735.115.761	-	4.081.047.209	99.816.162.970
- Increase from acquisition subsidiary	37.160.088.652	35.638.297.749	240.600.000	73.038.986.401
- Impact of exchange rate difference from converting oversea subsidiary's report	1.698.203.177	1.761.537.754	-	3.459.740.931
Ending balance	134.593.407.590	37.399.835.503	4.321.647.209	176.314.890.302
In which:				
Fully depreciated	-	-	392.750.000	392.750.000
Accumulated amortisation:				
Beginning balance	21.074.738.883	-	1.315.184.625	22.389.923.508
- Depreciation for the year	2.857.844.184	1.108.186.812	589.492.728	4.555.523.724
- Increase from acquisition subsidiary	-	-	55.289.041	55.289.041
- Impact of exchange rate difference from converting oversea subsidiary's report	-	199.673.591	-	199.673.591
Ending balance	23.932.583.067	1.307.860.403	1.959.966.394	27.200.409.864
Net carrying amount:				
Beginning balance	74.660.376.878	-	2.765.862.584	77.426.239.462
Ending balance	110.660.824.523	36.091.975.100	2.361.680.815	149.114.480.438

Certain intangible fixed assets with net carrying value of VND 70.1 billion have been used as collateral for the Group's loans as disclosed in Note 24.

15. INVESTMENT PROPERTIES

Currency: VND

	Buildings and structures	Machineries and equipment	Means of transportation	Others	Total
Cost:					
Beginning balance	494.478.275.088	81.654.273.258	2.851.715.129	20.934.565.772	599.918.829.247
- Transfer from construction in progress (*)	863.014.799.237	1.490.491.123	-	-	864.505.290.360
- Reclassify	2.851.715.129	2.474.962.387	(2.851.715.129)	733.268.182	3.208.230.569
Ending balance	1.360.344.789.454	85.619.726.768	-	21.667.833.954	1.467.632.350.176
Accumulated depreciation:					
Beginning balance	63.617.191.861	29.198.507.034	1.653.952.196	8.165.836.295	102.635.487.386
- Depreciation for the year	33.190.808.342	10.768.183.339	-	2.624.554.392	46.583.546.073
- Reclassify	1.653.952.196	338.271.992	(1.653.952.196)	80.201.205	418.473.197
Ending balance	98.461.952.399	40.304.962.365	-	10.870.591.892	149.637.506.656
Net carrying amount:					
Beginning balance	430.861.083.227	52.455.766.224	1.197.762.933	12.768.729.477	497.283.341.861
Ending balance	1.261.882.837.055	45.314.764.403	-	10.797.242.062	1.317.994.843.520

(*) This is the value of investment real estate under the An Phat 1 Industrial Park project that has been accepted and completed in July and November 2023.

Certain investment properties with net carrying value of VND 181.4 billion have been used as collateral for the Group's loans as disclosed in Note 24.

The Group have not determined the fair value of the above investment properties due to lack of reference information on market prices at the reporting date of the consolidated financial statements.

16. CONSTRUCTION IN PROGRESS AND CAPITALISED BORROWING COSTS

16.1 CONSTRUCTION IN PROGRESS

Currency: VND

	Ending balance	Beginning balance
PBAT factory (i)	115,948,571,103	-
An Phat 1 Industrial Park project (ii)	83,291,425,410	609,949,587,500
An Phat Complex Industrial Park project (iii)	75,341,521,353	76,457,555,635
Purchasing fixed assets	21,339,342,303	-
Other work in progress	624,788,688	7,039,460,931
TOTAL	296,545,648,857	693,446,604,066

(i) Including costs for preparing overall project design documents, technology copyright design, fixed asset depreciation costs and other related costs of the project to construct the biodegradable plastics PBAT factory.

(ii) Includes Including the wastewater drainage system and operator house of An Phat 1 Industrial Park project.

(iii) Mainly includes auction fee of land use rights, infrastructure development costs, factories construction, machineries and equipment purchasing expenses and other expenses related to certain land lots and adhered assets have been classified for operating leases purpose in the An Phat Complex Industrial Park project.

Some construction in progress expenses totaling VND 74.4 billion have been used as collateral for loans of the Group as disclosed in Note 24.

16.2 CAPITALISED BORROWING COSTS

During the year, the Group capitalised borrowing costs of VND 17 billion (for the year ended 31 December 2022: VND 16.8 billion). These costs relate to the borrowings taken to finance directly for the construction of An Phat 1 Industrial Park project.

17. LONG-TERM INVESTMENT

Currency: VND

	Ending balance		Beginning balance	
	Costs	Provision	Fair value	Fair value
Investments in associates (Note 17.1)	1,111,902,630,033	-	636,134,257,600	1,088,807,160,321
Hanoi Plastic Joint Stock Company ("Hanoi Plastic Company") (i) (ii)	79,947,464,414	-	57,493,018,000	79,743,591,545
Vinh Plastic and Bags Joint Stock Company ("Vinh Plastic and Bags Company") (i)	53,515,560,382	-	(i)	54,392,479,452
An Phat Catering Services Joint Stock Company ("An Phat Catering Company")	46,685,632,808	-	(i)	41,100,000,000
Sunrise Vietnam Production Joint Stock Company ("Sunrise Company")	28,478,189,987	-	(i)	24,323,098,833
An Dong Petroleum Service Joint Stock Company ("An Dong Company")	6,600,000,000	-	(i)	6,600,000,000
Ancop Joint Stock Company ("Ancop Company")	980,000,000	-	(i)	980,000,000
PBAT An Phat Production Joint Stock Company ("PBAT Company")	-	-	(i)	168,027,207,337
TOTAL	1,328,109,477,624	-	-	1,463,973,537,488

(i) The fair value of the capital contribution in Hanoi Plastic Company (stock code: NHH) and Vinh Plastic and Bags Company (stock code: VBC) are determined at closing price of the trading session at the end of the fiscal year on the HOSE and HNX stock exchange. These investments are invested by the Group for long-term holding, operating results were not loss, no indicator of capital loss, therefore the Group does not make provisions.

The shares of the remaining companies are not listed on the stock market, so the Board of Directors of the Group has not yet determined the fair value of these investments.

(ii) The Group used 23,718,000 shares of Hanoi Plastic Company as collateral for loans and bonds issued as presented in Note 24.

Details of these investments in associates are as follows:

Name	Address	Principal activities	Equity interest (%)	Voting rights (%)	Ending balance	Equity interest (%)	Voting rights (%)	Beginning balance	Voting rights (%)
Hanoi Plastics Company	Group 12, Phuc Loi ward, Long Bien district, Hanoi city, Vietnam.	Manufacturing, trading kinds of plastics molds	47,44	47,44	47,44	47,44	47,44	47,44	47,44
Vinh Plastic and Bags Company	Group 8, Ben Thuy ward, Vinh city, Nghe An province, Vietnam.	Manufacturing, buying, sell cement packaging, PP, PE packaging and plastics products	34,84	34,84	34,84	34,84	34,84	34,84	34,84
Sunrise Company	Lot CNI1+CN12, An Dong Industrial park, Nam Sach town, Nam Sach district, Hai Duong province, Vietnam.	Manufacturing plastic and synthetic rubber in primary forms	36,8	48	36,8	36,8	48	36,8	48
An Dong Company	Lot BI, An Phat Complex Industrial park, Km47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Trading petroleum	18,35	33,8	18,35	18,35	33,8	18,35	33,8
Ancop Company	Lot BI, An Phat Complex Industrial park, Km47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Providing and supplying water for industrial park	45,09	49	45,09	45,09	49	45,09	49
Nam Viet Company	BT4 lot E9 Vimexco, Pham Hung street, Trung Hoa ward, Cau Giay district, Hanoi city, Vietnam.	Software publishing	49	49	49	49	49	49	49
An Phat Catering Company	An Phat Complex Industrial park, Km 47, Highway 5, Viet Hoa ward, Hai Duong city, Hai Duong province, Vietnam.	Food service	20,37	37,4	20,37	25,05	37,4	25,05	46,13
PBAT Company	Lot CNS-04 Non-tariff area and Nam Dinh Vu Industrial park belongs to Dinh Vu - Cat Hai Economic zone, Dong Hai 2 ward, Hai An district, Hai Phong city, Vietnam.	Manufacturing products from plastic and synthetic rubber in primary forms	-	-	-	18,11	-	18,11	30,34

Details of these investments in associates are as follows:

	Hanoi Plastics Company	Vinh Plastic and Bags Company	Sunrise Company	An Dong Company	ANCOP Joint Stock Company	Nam Viet Company	An Phat Catering Company	PBAT Company	Total
Cost of investment									
Beginning balance	1.014.494.728.614	74.316.719.775	24.000.000.000	6.600.000.000	980.000.000	54.392.479.452	168.014.000.000	41.100.000.000	1.383.897.927.841
Increase	-	-	-	-	-	-	110.200.000.000	15.000.000.000	125.200.000.000
Decrease	-	-	-	-	-	-	-	(11.700.000.000)	(11.700.000.000)
Decrease to become subsidiary	-	-	-	-	-	-	(278.214.000.000)	-	(278.214.000.000)
Ending balance	1.014.494.728.614	74.316.719.775	24.000.000.000	6.600.000.000	980.000.000	54.392.479.452	-	44.400.000.000	1.219.183.927.841
Accumulated share in post-acquisition profit of the associates:									
Beginning balance	74.312.431.707	5.426.871.770	323.098.833	-	-	-	132.073.37	-	80.075.609.647
Profit/(loss) from associates	45.125.485.494	9.703.053.864	4.155.091.154	-	-	152.080.931	(8.480.211.486)	2.285.632.808	52.941.132.765
Bonus and welfare fund	(4.743.758.782)	(4.795.206.795)	-	-	-	-	-	-	(9.538.965.577)
Dividends shared in the year	(17.286.257.000)	(4.703.974.200)	-	-	-	(1.029.000.000)	-	-	(23.019.231.200)
Decrease to become subsidiary	-	-	-	-	-	-	8.467.004.149	-	8.467.004.149
Ending balance	97.407.901.419	5.630.744.639	4.478.189.987	-	-	(876.919.069)	-	2.285.632.808	108.925.549.784
Net carrying amount:									
Beginning balance	1.088.807.160.321	79.743.591.545	24.323.098.833	6.600.000.000	980.000.000	54.392.479.452	168.027.207.337	41.100.000.000	1.463.973.537.488
Ending balance	1.111.902.630.033	79.947.464.414	28.478.189.987	6.600.000.000	980.000.000	53.515.560.383	-	46.685.632.808	1.328.109.477.625

Currency: VND

18. GOODWILLS

Currency: VND

	An Vinh Company	An Phat International, Inc. Company	Ankor Company	Total
Cost:				
Beginning balance	15.991.554.209	24.819.303.441	-	40.810.857.650
- Increase		-	20.431.884.116	20.431.884.116
Ending balance	15.991.554.209	24.819.303.441	20.431.884.116	61.242.741.766
Accumulated amortisation:				
Beginning balance	3.997.888.552	4.343.378.102	-	8.341.266.654
- Amortisation for the year	1.599.155.428	2.481.930.344	1.021.594.206	5.102.679.978
Ending balance	5.597.043.980	6.825.308.446	1.021.594.206	13.443.946.632
Net carrying amount:				
Beginning balance	11.993.665.657	20.475.925.339	-	32.469.590.996
Ending balance	10.394.510.229	17.993.994.995	19.410.289.910	47.798.795.134

19. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

19.1 TRADE PAYABLES

Currency: VND

	Balance	Ending balance Payable amount	Balance	Beginning balance Payable amount
Short-term				
Trade payables	490.121.646.065	490.121.646.065	718.455.478.750	718.455.478.750
Gulf Polymers Distribution Company FZCO	117.515.953.764	117.515.953.764	51.876.557.926	51.876.557.926
SABIC Asia Pacific Pte Ltd	17.416.937.115	17.416.937.115	102.720.686.100	102.720.686.100
Other suppliers	355.188.755.186	355.188.755.186	563.858.234.724	563.858.234.724
Trade payables to related parties (Note 35)	27.260.220.947	27.260.220.947	36.102.421.130	36.102.421.130
TOTAL	517.381.867.012	517.381.867.012	754.557.899.880	754.557.899.880
Long-term				
Trade payables to others	-	-	488.265.008	488.265.008
TOTAL	-	-	488.265.008	488.265.008

19.2 SHORT-TERM ADVANCES FROM CUSTOMERS

Currency: VND

	Ending balance	Beginning balance
Short-term advances from customers	116.458.740.966	146.149.480.371
Short-term advances from related parties	2.680.456.539	305.178.573
TOTAL	119.139.197.505	146.454.658.944

20. STATUTORY OBLIGATIONS

Currency: VND

	Beginning balance	Increase from acquisition subsidiary	Payables in the year	Paid in the year	Ending balance
Payables					
Corporate income tax	4,171,248,798	-	70,759,684,560	(60,118,099,537)	14,812,833,821
Value added tax	395,561,569	858,567,148	151,668,741,935	(152,267,738,024)	655,132,628
Personal income tax	616,281,692	-	5,078,096,099	(5,055,835,233)	638,542,558
Import, export duties	-	-	7,830,707,144	(7,830,707,144)	-
Other taxes	51,843,176	220,650	71,554,769,972	(69,827,780,663)	1,779,053,135
TOTAL	5,234,935,235	858,787,798	306,891,999,710	(295,100,160,601)	17,885,562,142

Currency: VND

	Beginning balance	Increase from acquisition subsidiary	Receivables in the year	Receipt/deducted during the year	Ending balance
Receivables					
Value added tax	183,967,466,895	9,127,538,318	284,658,460,730	(313,484,038,530)	164,269,427,413
Corporate income tax	10,097,417,453	-	-	(7,178,120,690)	2,919,296,763
Other taxes	-	16,874,674	2,487,500	(3,198,424)	16,163,750
TOTAL	194,064,884,348	9,144,412,992	284,660,948,230	(320,665,357,644)	167,204,887,926

21. SHORT-TERM ACCRUED EXPENSES

Currency: VND

	Ending balance	Beginning balance
Short term		
Accrued construction costs	77,766,835,507	5,018,340,575
Accrued interest expenses	20,797,016,062	11,186,849,816
Accrued 13th month salary	28,494,919,162	-
Others	6,720,828,897	699,872,131
TOTAL	133,779,599,628	16,905,062,522
<i>In which:</i>		
Short-term accrual to other customers	124,641,481,273	16,905,062,522
Short-term accrual to related parties (Note 35)	9,138,118,355	-
Long term		
Accrued interest expenses	-	7,317,780,823
TOTAL	-	7,317,780,823

22. UNEARNED REVENUE

Currency: VND

	Ending balance	Beginning balance
Short term		
Unearned revenues from leasing factories (*)	116.182.822.055	97.468.608.720
Other unearned revenues	-	299.272.204
TOTAL	116.182.822.055	97.767.880.924
Long term		
Unearned revenues from leasing factories (*)	1.498.211.375.163	156.621.596.529
Other unearned revenues	-	748.168.652
TOTAL	1.498.211.375.163	157.369.765.181

(*) Including rentals received in advance of investment properties under the An Phat Complex Industrial Park project and An Phat 1 Industrial Park project with VND 1.614 billion on 31 December 2023.

23. OTHER PAYABLES

Currency: VND

	Ending balance	Beginning balance
Short-term		
Deposits to rent land use rights and infrastructure in An Phat 1 Industrial Park	139.474.509.266	189.296.022.886
Deferred letter of credit payable - LC (*)	12.833.754.060	25.344.106.775
Interest expense	888.118.023	43.299.955
Dividend payables	109.328.043	132.671.543
Deposit payables due to contract cancellation	8.410.072.293	-
Other payables	6.904.758.873	9.841.031.283
TOTAL	168.620.540.558	224.657.132.442

In which:

<i>Other payables to other customers</i>	<i>159.750.444.977</i>	<i>224.615.313.173</i>
<i>Other payables to related parties (Note 35)</i>	<i>8.870.095.581</i>	<i>41.819.269</i>

(*) This is a letter of credit opened at a commercial bank with a payment deadline no later than 22 January 2024 with a fee of 4.6% per annum (as at 31 December 2022: 5.5% per annum to 5.8% per annum).

Long term		
Deposit for factory rental and infrastructure	8.828.368.337	10.620.132.185
TOTAL	8.828.368.337	10.620.132.185

24. LOANS

Short-term	Notes	Beginning balance	Movement during the period			Ending balance
			Increase from acquisition subsidiary	Increase	Decrease	
Loans from banks	24.1	1.606.790.217.581	6.429.186.480	6.336.822.550.463	(6.039.936.467.626)	1.912.778.913.503
Current portion of long-term loans	24.2	224.596.027.397	9.903.768.953	181.494.018.879	(201.105.046.265)	215.143.792.464
Loans from others	24.3	14.435.200.000	740.072.202	90.000.000.000	(102.270.733.306)	2.945.276.430
Loans from related parties	24.4	-	-	7.700.000.000	(700.000.000)	7.000.000.000
Current portion of bonds	24.5	42.000.000.000	-	487.625.378.782	(42.000.000.000)	487.625.378.782
TOTAL		1.887.821.444.978	17.073.027.635	7.103.641.948.124	(6.386.012.247.197)	2.625.493.361.179
Long-term						
Loans from banks	24.2	601.382.545.850	48.397.617.329	1.152.000.000	(398.080.318.359)	253.967.040.887
Bonds from related parties	24.4	-	-	104.889.683.395	-	104.889.683.395
Other bonds	24.5	640.986.178.162	-	2.849.545.452	(643.835.723.614)	-
TOTAL		1.242.368.724.012	48.397.617.329	108.891.228.847	(1.041.916.041.973)	358.856.724.282

24.1 SHORT-TERM LOANS FROM BANKS

Details of the short-term loans from banks are as follows:

Bank	Ending balance		Principal and interest repayment terms	Interest rate (% per annum)	Collateral
	VND	Original amount			
Short-term loans denominated in VND	1,376,243,377,326		Terms are stipulated in each contract, from 4 to 8 months. Interests are paid monthly. Principals are paid at maturity dates in which November 2024 is the latest.	2.6% - 10%	(i)
Short-term loans denominated in USD	528,104,893,835	21,631,590 USD	Terms are stipulated in each contract, from 5 to 8 months. Interests are paid monthly or quarterly. Principals are paid at maturity dates in which August 2024 is the latest.	3.4% - 6.73%	(i)
Short-term loans denominated in KRW	8,430,642,342	267,601 KRW	Terms are stipulated in each contract, from 3 to 6 months. Interests are paid monthly. Principals are paid at maturity dates in which June 2024 is the latest.	4.2% - 5%	(i)
TOTAL	1,912,778,913,503				

(i) Secured loans are pledged by the following items:

- Deposits in VND and USD with a total value of 70.5 billion VND at commercial banks;
- Cash at bank with the value of 12.1 billion VND equivalent to 10% of loan balance as of 31 December 2023 at United Overseas Bank (Vietnam) Limited - Hanoi Branch and One Member Bank Limited HSBC (Vietnam);
- Receivables generated from loans from Hai Duong Investment and Development Bank according to economic contracts signed between the Company and other parties of which the Company is the beneficiary;
- Goods circulated during the Company's production process with the value of 88.2 billion VND at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hai Duong Branch;
- Assets and receivables of the Company were generated by the whole or in part from the Military Commercial Joint Stock Bank's loans;
- All assets attached to land belonging to the Company's Factory 5;
- Land plot No. 23, land plot No. 56 and land plot No. 57 are owned by An Vinh Company;
- Group's land use rights and buildings in Long An and Hai Duong provinces, Vietnam;
- 6,800,000 shares of An Phat Holdings Company owned by key executive members of the subsidiary and another person;
- 1,500,000 shares of the Company owned by An Phat Holdings Company;
- 1,000,000 shares of Hanoi Plastic Joint Stock Company owned by the Company;
- Valuable papers of PBAT Company worth 67,103,500,000 VND;
- Certain means of transportation, machineries, equipments and some other assets; and
- Guarantees of the Company and individuals who are members of the Board of Directors of An Phat Holdings Company for subsidiaries' commercial bank loans.

24.2 LONG-TERM LOANS FROM BANKS

Bank	Ending balance		Principal and interest repayment terms	Interest rate (% per annum)	Collateral
	VND	Original amount			
Short-term loans denominated in VND	444,814,246,370		Terms are stipulated in each contract. Interest paid monthly. Principals mature from June 2024 to July 2028.	5.55% - 13.9%	(ii)
Short-term loans denominated in KRW	24,296,586,981	966,000,000 KRW	Principals and interests mature on 31 August 2033. Principals and interests are paid monthly.	5.9% - 6.15%	(ii)
TOTAL	469,110,833,351				
In which:					
- Current portion of long-term loans	215,143,792,464				
- Long-term loans	253,967,040,887				

(ii) Secured loans are pledged by the following items:

- The Company's deposit of 2,100,000 USD at HSBC Bank (Vietnam) Limited;
- Receivables generated from loans from Hai Duong Investment and Development Bank according to economic contracts signed between the Company and other partners of which the Company is the beneficiary;
- A number of land use rights and buildings of the Group in Long An province, Hai Duong province, Vietnam and in Gangwon-Do province, Korea;
- Land use rights certificates, ownership of houses and other assets attached to land No. CY737232, CY338692, CY338691 at Lot CN11+CN1, An Dong Industrial cluster, Nam Sach town, Nam Sach district, Hai Duong province, Vietnam;
- Land and assets on land are owned by the Company;
- Certain means of transportation, machineries, equipments and some other assets; and
- Guarantee from the Company and Kangwon Credit Fund.

24.3 LOANS FROM OTHERS

Details of the short-term loans from others are as follows:

Lenders	Ending balance		Principal and interest repayment terms	Interest rate (% per annum)	Collateral
	VND	Original amount			
Mr. Heonyoung Lim	773,584,906	773,584,906 VND	Principal is paid in December 2024. Interest is paid annually.	2.5%	Unsecured
Vietpoint Capital Joint Stock Company	2,171,691,524	100,000 KRW	Terms are stipulated in each contract, maximum 12 months. Principal and interest are paid in June 2024.	10%	Unsecured
TOTAL	2,945,276,430				

24.4 LOANS AND BONDS FROM RELATED PARTIES

Details of loans from related parties are as follows:

Lenders	Relationship	Ending balance	Principal and interest repayment terms	Interest rate (% per annum)	Collateral
Hanoi Plastic Company	Associate	7,000,000,000	Principal and interest are paid on 4 May 2024.	7.5%	Unsecured
TOTAL		7,000,000,000			

Details of bonds from related parties are as follows:

Lenders	Relationship	Ending balance	Interest rate (% per annum)	Lãi suất (%/năm)	Hình thức đảm bảo
An Cuong High-Tech Construction Materials Company	Affiliate	73,500,000,000	Principal matures 29 December 2027. Bond interest is paid semi-annually, the first interest payment is on 29 June 2024.	The interest rate applied for the first interest period is 6% per annum until 19 January 2024.	Tin chấp
An Trung Industries Company Limited	Affiliate	31,836,000,000	Principal matures 19 July 2026. Bond interest is paid semi-annually, the first interest payment is on 19 January 2024.	The bond interest rate for subsequent periods from 19 January 2024 onwards is 11% per annum.	Tin chấp
Unallocated bond issuance costs		(446,316,605)			
TOTAL		104,889,683,395			
In which:					
- Current portion of long-term bonds		-			
- Long-term bonds		104,889,683,395			

24.5 OTHER BONDS

Details of the issued bonds in VND are as follows:

Lenders	Ending balance (VND)	Interest rate (% per annum)	Collateral		
Shinhan Securities Vietnam Co., Ltd.	120,000,000,000	Principals mature in November 2024. Bond interest is paid semi-annually. Bond interest rate is 8% per annum.	Secured assets are those under relevant share pledge contracts. Detail: - 12,240,000 shares of An Phat Holdings Company are owned by a corporate partner who is a major shareholder of An Phat Holdings Company; - 16,472,000 shares of the Company are owned by An Phat Holdings Company; - 23,718,000 shares of Hanoi Plastic Company are owned by the Company; and - 36,622,000 shares of An Tien Company are owned by the Company.		
Shinhan Bank Vietnam – Pham Hung Branch	150,000,000,000				
Daegu Bank - Ho Chi Minh city Branch	100,000,000,000				
Keb Hana Bank - Ho Chi Minh city Branch	100,000,000,000				
Stanley Brothers Securities Joint Stock Company	20,000,000,000			Bonds have a term of 3 years. Bond interest is paid semi-annually. Bond interest rate is 7.5% per annum.	Collateral by 687,500 shares of An Phat Holdings Company are owned by third parties.
Unallocated bond issuance costs	(2,374,621,218)				
TOTAL	487,625,378,782				
<i>In which:</i>					
- Current portion of bonds	487,625,378,782				
- Long-term bonds	-				

25. PROVISION FOR SHORT-TERM PAYABLES

Currency: VND

	Ending balance	Beginning balance
Provision for severance allowance	4,198,200,509	-
TOTAL	4,198,200,509	-

26. BONUS AND WELFARE FUND

Currency: VND

	Ending balance	Beginning balance
Beginning balance	23,163,704,291	7,217,994,333
Increase (*)	9,342,765,871	59,894,234,529
Used	(29,009,489,738)	(43,948,524,571)
Ending balance	3,496,980,424	23,163,704,291

(*) Increase in the period includes provision made for Bonus, welfare Fund and funds for Executives and Community activities as approved by the Annual General Shareholders' Meeting disclosed in Note 27.1.

27. OWNERS' EQUITY

27.1 INCREASE AND DECREASE IN OWNERS' EQUITY

	Previous year	Beginning balance	- Net profit for the year	- Capital contribution	- Capital contribution in subsidiaries	- Bonus and welfare funds appropriation	- Share dividends	- Cash dividends	- Exchange rate difference due to conversion of subsidiaries' financial statements	- Changes due to decrease in ownership interest in subsidiaries	- Other adjustments	Ending balance
Issued share capital		3,264,344,960,000	-	558,400,000,000	-	-	-	-	-	-	-	3,822,744,960,000
Share premium		712,591,123,817	-	111,355,200,000	-	-	-	-	-	-	-	823,946,323,817
Other owners' capital		26,544,930,000	-	-	-	-	18,200,000,000	-	-	-	-	44,744,930,000
Foreign exchange differences reserve		(9,142,474,446)	-	-	-	-	-	-	22,246,518,050	-	-	13,104,043,604
Investment and development fund		80,481,616,464	-	-	-	-	-	-	-	-	-	80,481,616,464
Other owners' equity fund		13,177,404,323	-	-	-	-	-	-	-	-	-	13,177,404,323
Undistributed earnings		706,493,529,920	152,599,331,716	-	(61,420,769)	(52,915,856,654)	-	(18,200,000,000)	-	-	-	721,688,030,767
Non-controlling interest		659,890,646,972	(35,308,063,779)	-	186,763,610,769	(6,978,377,875)	-	(100,000,000)	(551,745,848)	-	-	651,298,108,490
Total		5,454,381,737,050	117,291,267,937	669,755,200,000	186,702,190,000	(59,894,234,529)	-	(100,000,000)	21,694,772,202	(211,678,232,792)	(6,967,282,403)	6,171,185,417,465



Currency: VND

Current year	Issued share capital	Share premium	Other owners' capital	Foreign exchange differences reserve	Investment and development fund	Other owners' equity fund	Undistributed earnings	Non-controlling interest	Total
Beginning balance	3.822.744.960.000	823.946.323.817	44.744.930.000	13.104.043.604	80.481.616.464	13.177.404.323	721.688.030.767	651.298.108.490	6.171.185.417.465
- Net profit for the year	-	-	-	-	-	-	289.410.548.684	19.783.274.450	309.193.823.134
- Bonus and welfare funds appropriation (i)	-	-	-	-	-	-	(8.757.281.326)	(585.484.545)	(9.342.765.871)
- Cash dividend	-	-	-	-	-	-	-	(104.000.000)	(104.000.000)
- Purchase subsidiaries	-	-	-	-	-	-	-	(20.405.832.747)	(20.405.832.747)
- Purchase subsidiaries under common control	-	-	(25.993.638.466)	-	-	-	-	164.566.073.192	138.572.434.716
- Change due to increase in ownership rate in subsidiaries	-	-	-	-	-	-	(427.472.919.953)	(198.801.416.222)	(626.274.336.175)
- Exchange rate difference due to conversion of subsidiaries' financial statements	-	-	-	9.337.385.640	-	-	-	3.757.141.153	13.094.526.793
- Other adjustments	-	-	-	-	-	-	(12.245.872.367)	197.545.282	(12.048.327.085)
Số cuối năm	3.822.744.960.000	823.946.323.817	18.751.291.534	22.441.429.244	80.481.616.464	13.177.404.323	562.622.505.805	619.705.409.043	5.963.870.940.230

(i) The Group has appropriated bonus and welfare funds from undistributed retained earnings of 2022 according to Resolution No. 150501/2023//NC-DHDCD of the Annual General Shareholders' Meeting of the Company on 15 May 2023 and Resolutions of Annual General Shareholders' Meetings of subsidiaries.

27.2 CONTRIBUTED CHARTER CAPITAL

Currency: VND

	Ending balance		Beginning balance	
	Total	Ordinary shares	Total	Ordinary shares
Issued share capital	3.822.744.960.000	3.822.744.960.000	3.822.744.960.000	3.822.744.960.000
Share premium	823.946.323.817	823.946.323.817	823.946.323.817	823.946.323.817
TOTAL	4.646.691.283.817	4.646.691.283.817	4.646.691.283.817	4.646.691.283.817

27.3 CAPITAL TRANSACTIONS WITH OWNERS AND DISTRIBUTION OF DIVIDENDS

Currency: VND

	Current year	Previous year
Contributed charter capital		
Beginning balance	3,822,744,960,000	3,264,344,960,000
Increase	-	558,400,000,000
Ending balance	3,822,744,960,000	3,822,744,960,000
Dividend declared	-	-

27.4 SHARES

Currency: VND

	Ending balance		Beginning balance	
	Quantity	Value (VND)	Quantity	Value (VND)
Authorised shares	3,822,744,960,000	3,264,344,960,000	382,274,496	3,822,744,960,000
Ordinary shares	-	558,400,000,000	382,274,496	3,822,744,960,000
Issued shares	3,822,744,960,000	3,822,744,960,000	382,274,496	3,822,744,960,000
Ordinary shares	-	-	382,274,496	3,822,744,960,000
Outstanding shares	382,274,496	3,822,744,960,000	382,274,496	3,822,744,960,000
Ordinary shares	382,274,496	3,822,744,960,000	382,274,496	3,822,744,960,000

Par value of outstanding share: VND 10,000 per share (31 December 2022: VND 10,000 per share).

27.5 FOREIGN EXCHANGES DIFFERENCES RESERVE

Currency: VND

	Ending balance	Beginning balance
Foreign exchanges differences arising from conversion of financial statements prepared in foreign currency to VND	22.441.429.244	13.104.043.604
TOTAL	22.441.429.244	13.104.043.604

27.6 FUNDS

Currency: VND

	Ending balance	Beginning balance
Investment and development fund	80,481,616,464	80,481,616,464
Other funds	13,177,404,323	13,177,404,323
TOTAL	93,659,020,787	93,659,020,787

28. REVENUE

28.1 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

Currency: VND

	Current year	Previous year
Gross revenue	12.628.191.473.898	15.314.698.238.896
In which:		
Sales of merchandise	7.726.006.726.822	9.995.319.434.176
Sales of finished goods	4.593.340.375.660	4.797.241.368.421
Revenue from rendering of services	176.960.278.129	337.614.181.731
Revenue from leasing land, factories and industrial park infrastructure is recorded periodically	131.884.093.287	106.429.283.558
Revenue from leasing land, factories and industrial park infrastructure is recorded once (*)	-	78.093.971.010
Deductions	(6.677.328.951)	(24.401.165.809)
In which:		
Sales return	(5.230.067.378)	(12.540.687.768)
Discount sales	-	(522.155.093)
Trade discounts	12.621.514.144.947	15.290.297.073.087
Net revenue		
In which:		
Sales of merchandise	7.720.667.099.318	9.975.461.656.256
Sales of finished goods	4.592.002.674.214	4.792.697.980.532
Revenue from rendering of services	176.960.278.128	337.614.181.731
Revenue from leasing land, factories and industrial park infrastructure	131.884.093.287	106.429.283.558
Revenue from transferring real estate	-	78.093.971.010
In which:		
Sales to others	12.446.559.694.096	14.784.193.656.636
Sales to related parties (Note 35)	174.954.450.851	506.103.416.451

(*) In previous years, the Group recognized one-time revenue for long-term asset lease contracts in which the Group leased land from the State in the form of a one-time payment by the State for the entire term of lease period, with rental payments received in advance for many periods, and with the lease period accounting for over 90% of the useful life of those assets, according to the accounting policy presented in Note 3.17. If revenue from this rental is recognized according to the rental period allocation method, the impact on revenue, cost of sales and service provision and gross profit of the Group of Companies is as follows:

Currency: VND

	Current year		Previous year	
	Recorded one-time revenue	Allocated periodically revenue over the lease term	Recorded one-time revenue	Allocated periodically revenue over the lease term
Revenue from sale of goods and rendering of services	-	15.215.982.807.841	15.290.297.073.087	15.214.203.395.637
Cost of good sold and services rendered	-	14.183.406.504.081	14.204.057.189.374	14.181.916.393.637
Gross profit from sale of goods and rendering of services	-	1.032.576.303.760	1.086.239.883.713	1.032.287.002.000

28.2 FINANCE INCOME

Currency: VND

	Current year	Previous year
Interest income	176,215,357,182	100,679,944,574
Foreign exchange gains	66,465,757,879	113,775,438,527
Dividend	-	27,479,452
TOTAL	242,681,115,061	214,482,862,553

28.3 REVENUES AND EXPENSES RELATED TO INVESTMENT PROPERTIES

Currency: VND

	Current year	Previous year
Rental income from investment properties	131,884,093,287	106,429,283,558
Direct operating expenses of investment properties that generated rental income during the period	61,484,367,639	43,545,459,105
Profit from investment properties	70,399,725,648	62,883,824,453

29. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

	Current year	Previous year
Cost of merchandise sold	7,466,971,766,178	9,970,902,792,660
Cost of finished goods sold	3,837,680,115,820	3,876,783,868,179
Cost of services rendered	146,684,572,540	289,380,421,789
Cost of leasing of land, factories and industrial park infrastructure	61,484,367,639	43,545,459,105
Cost of transferring real estate	-	23,444,647,641
TOTAL	11,512,820,822,177	14,204,057,189,374

30. FINANCE EXPENSES

Currency: VND

	Current year	Previous year
Interest expenses	190,476,045,845	173,679,772,675
Foreign exchange losses	24,561,517,843	67,485,064,815
Bond and loan issuance expenses	20,341,627,760	8,277,380,566
Other finance expenses	3,915,150,951	7,960,487,216
TOTAL	239,294,342,399	257,402,705,272

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	Current year	Previous year
Selling expenses		
Labour costs	28,409,763,988	24,811,208,848
Depreciation and amortisation	12,641,481,957	14,556,987,868
Shipping and export costs	351,837,611,566	543,768,814,935
Advertising costs and commission fees	82,322,442,920	41,888,074,947

Expenses for external services	29,254,219,511	36,656,905,316
Other expenses	6,590,358,882	4,415,268,736
TOTAL	511,055,878,824	666,097,260,650
General and administrative expenses		
Labour costs	105,541,210,033	92,433,759,759
Expenses for external services	61,684,104,641	52,390,693,639
Depreciation and amortisation of assets and goodwill	37,178,210,006	31,357,903,586
Taxes, fees, and bank fees	31,160,175,814	40,496,486,972
Auditing, consulting service fees (*)	2,325,328,248	2,541,777,800
Provision of doubtful debts	14,988,119,012	2,955,709,783
Other expenses	32,404,699,673	25,431,218,305
TOTAL	285,281,847,427	247,607,549,844

(*) In which, professional service costs with members of the global network of EY firms ("EY firms") incurred current year and previous year include:

Currency: VND

	Current year	Previous year
Audit fees for separate and consolidated financial statements of the Company and its subsidiaries	1,810,278,000	1,691,150,273
TOTAL	1,810,278,000	1,691,150,273

32. OTHER INCOME AND EXPENSES

Currency: VND

	Current year	Previous year
Other income	16,181,309,264	8,605,911,082
Gain from disposal of assets	9,046,416,988	1,000,652,667
Income from contract compensation	2,748,846,664	1,996,803,224
Other income	4,386,045,612	5,608,455,191
Other expenses	6,969,256,261	9,833,969,448
Compensation costs	3,922,045,364	3,761,158,810
Loss from disposal of assets	356,692,983	3,842,336,370
Other expenses	2,690,517,914	2,230,474,268
NET OTHER PROFIT/(LOSS)	9,212,053,003	(1,228,058,366)

33. PRODUCTION AND OPERATING COSTS

Currency: VND

	Current year	Previous year
Raw material	2,800,707,358,277	3,069,898,300,282
Labour costs	532,505,746,717	475,262,677,674
Depreciation and amortisation of fixed assets, investment properties, allocation of prepaid land rental and amortisation of goodwill	330,970,771,702	311,000,570,200
Expenses for external services	928,169,494,119	1,421,633,870,086
Other expenses	57,802,820,587	60,782,118,936
TOTAL	4,650,156,191,402	5,338,577,537,178

34. CORPORATE INCOME TAX

- The corporate income tax ("CIT") rate applicable to the Group are as follows:
- CIT applied for An Phat Complex Company is 20% of taxable income, exclude CIT rate for land use rights transfer activities of the project An Phat Complex Industrial Park infrastructure investment and construction. Accordingly, income from land use rights transfer in this project applied annual CIT rate 5% until 2026, 10% in 2027 and 20% in subsequent years because An Phat Complex Company inherited tax incentives from old projects transfer. CIT rate for this activity is 5% in current period;
- For the project expansion of CaCO₃ plastic beads factory and CaCO₃ stone powder of An Tien Company, according to Official Letter No. 2093/CT-TTHTNNT of Tax Department of Yen Bai Province on 20 June 2019, An Tien Company is entitled to a CIT exemption for 2 years (from 2018 to 2019) and 50% reduction for the next 4 years (from 2020 to 2023) on taxable income of this expansion project. CIT rate for this activity is 10% in current period;
- An Thanh Singapore Company is subject to the tax rate of 17% in accordance with Singapore's CIT Law and the company is also entitled to 75% tax exemption on the first 10,000 SGD of taxable income and 50% tax exemption on the next 190,000 SGD of taxable income;
- An Phat International, Inc. and AFC EcoPlastics, LLC. Are subject to a tax rate of 21% according to the US Corporate Income Tax Law;
- Ankor Company is subject to progressive tax according to income, specifically the general tax rate is 9% for income under KRW 200 million; 19% for income between KRW 200 million and 20 billion; 21% for income from KRW 20 billion to 300 billion and 24% for income over KRW 300 billion according to the Korean Corporate Income Tax Law; and
- The remaining companies including the Company, An Thanh Company, An Tin Company and An Vinh Company are subject to a corporate income tax rate of 20% of taxable income.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

34.1 CIT EXPENSES

Currency: VND

	Current year	Previous year
Current tax expenses	77,937,805,250	71,491,156,065
Adjustment for under accrual of tax from prior year	-	594,317,897
Deferred tax income	(9,236,073,435)	(3,310,630,196)
TOTAL	68,701,731,815	68,774,843,766

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

Currency: VND

	Current year	Previous year
Accounting profit before tax	377,895,554,949	186,066,111,703
At CIT rate applicable to the Group		
CIT rate of 21%	(13,934,116,099)	(23,917,477,403)
CIT rate of 20%	85,720,780,825	56,688,262,651
CIT rate of 17%	2,255,767,864	1,163,924,994
CIT rate of 10%	833,396,499	167,603,611
CIT rate of 9%	(96,299,806)	-

CIT rate of 5%	8.037.639	399.744.714
Adjustments:		
Deferred CIT has not been recognized for tax losses	13.979.052.220	63.299.953.084
Reversal of provisions for investments in subsidiaries	3.528.835.113	-
Amortisation of goodwill	1.020.535.994	816.217.155
Non-deductible interest expenses	1.114.629.003	4.831.079.589
Non-deductible expenses	2.249.092.838	3.919.175.077
Other adjustments	(1.887.339.274)	1.690.372.469
Other consolidation adjustments are not taxable	(1.663.117.953)	-
Adjustment for under accrual of tax from prior year	-	594.317.897
Profit in associate	(10.588.226.553)	(11.535.787.914)
Loss from investment in subsidiaries	-	(29.342.542.158)
Previous year's tax loss carried forward	(13.839.296.495)	-
CIT expenses	68.701.731.815	68.774.843.766

34.2 CURRENT TAX

The current CIT payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

34.3 DEFERRED TAX

The following are the deferred tax assets and deferred tax liabilities recognised by the Group and the movements thereon, during the current and previous years:

Currency: VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Unrealized profits of intercompany transactions	5.928.658.541	2.967.709.772	9.395.102.711	855.699.478
Difference in recording year of revenue and cost of sale for CIT calculation purposes	1.316.838.535	1.258.758.702	58.079.833	1.258.758.702
Unrealized exchange rate differences due to revaluation of cash and receivables dominated in foreign currencies	799.356.573	1.196.172.016	(396.815.443)	1.196.172.016
Tax losses available for offset against future taxable income	5.911.782.676	-	5.911.782.676	-
Other	522.371.266	-	522.371.266	-
Deferred tax liabilities	14.479.007.591	5.422.640.490		
Difference from the assessment of the fair value of the subsidiary's net assets at the time of the business combination	12.438.709.938	-	179.706.322	-
	12.438.709.938	-	179.706.322	-
Net deferred tax income recognised to consolidated income statement			9.236.073.435	3.310.630.196

34.4 UNRECOGNIZED DEFERRED TAX ASSETS

The Group is entitled to carry each individual tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred, except for:

An Phat International, Inc. and AFC EcoPlastics, LLC. had no time limit for tax loss carry forward under the US Corporate Income Tax Law.

An Thanh Singapore Company had no time limit for tax loss carry forward under Singapore's Corporate Income Tax Law.

Ankor Company entitled to carry tax loss forward within 10 years from the year in which the loss was incurred according to the Korean Corporate Income Tax Law.

At the consolidated balance sheet date, the Company and the Group had accumulated losses with a total value of VND 483,353,876,598 (31 December 2022: VND 364,977,028,236) that could be used to offset against profits arising in the future. Details are as follows:

Currency: VND

Originating year	Can be utilized up to	Tax loss amount (*)	Utilized up to 31 December 2023	Forfeited	Unutilized at 31 December 2022
<i>Not limit time to carry losses forward</i>					
2020		25.038.430.320	-	-	25.038.430.320
2021		28.896.206.640	-	-	28.896.206.640
2022		109.147.483.155	-	-	109.147.483.155
2023		66.917.888.462	-	-	66.917.888.462
<i>10-year to carry losses forward</i>					
2019	2029	12.614.415.693	-	-	12.614.415.693
2020	2030	12.659.024.198	-	-	12.659.024.198
2021	2031	25.119.317.787	-	-	25.119.317.787
2022	2032	17.161.556.534	-	-	17.161.556.534
2023	2033	15.896.837.529	-	-	15.896.837.529
<i>5-year to carry losses forward</i>					
2022	2027	201.894.908.121	(73.028.822.270)	-	128.866.085.851
2023	2028	14.774.410.360	-	-	14.774.410.360
TOTAL		530.120.478.799	(73.028.822.270)	-	457.091.656.529

(*) Estimated tax loss as per the Company and its subsidiaries' corporate income tax declaration of for the year ended 31 December 2023 has not yet been audited by the local tax authorities as of the date of these consolidated financial statements.

Except for the tax loss of An Phat Complex 1 Company, the Group has not recognised a deferred tax asset for the remaining accumulated loss in respect of the remaining VND 453.8 billion because future taxable income cannot be ascertained at this stage.

Interest expense exceeds the prescribed threshold

The Group is entitled to carry forward interest expense exceeding the prescribed threshold that have not been deducted when calculating CIT for the current year ("non-deductible interest expenses") to the following year when determining the total deductible interest expenses of the following year. The subsequent period that the interest expense can be carried forward to will not exceed consecutive period of 5 years subsequent to the year in which the non-deductible interest expense incurred. At the consolidated balance sheet date, the Group has aggregated non-deductible interest expenses available as follows:

Currency: VND

Originating year	Can be used as deductible interest expense up to		Non-deductible interest expenses incurred	Non-deductible interest expense carried forward to following years by 31 December 2023	Non-deductible interest expense no longer carried forward to following years by 31 December 2023	Non-deductible interest expense available to be carried forward as at 31 December 2023
2022	2027	(i)	24.155.397.946	-	-	24.155.397.946
2023	2028	(i)	5.335.429.030	-	-	5.335.429.030
TOTAL			29.490.826.976	-	-	29.490.826.976

(i) Estimated non-deductible interest expense as per the Company and subsidiaries's corporate income tax declaration for the year ended 31 December 2023 has not been audited by the local tax authorities as of the date of these financial statements.

No deferred tax assets were recognised in respect of the remaining non-deductible interest expense as at 31 December 2023 because of the uncertainty in predicting whether this non-deductible interest expense will be carried forward in the remaining time limit or not.

35. TRANSACTIONS WITH RELATED PARTIES

List of related parties that have a controlling relationship with the Group and other related parties that have transactions and balances with the Group during the year and as 31 December 2023 is as follows:

Related parties	Relationship
An Phat Holdings Joint Stock Company ("An Phat Holdings Company")	Parent company
An Tien Industries Joint Stock Company ("An Tien Company")	Subsidiary
An Phat Complex High-tech Industrial Park Limited Company ("An Phat Complex Company")	Subsidiary
An Thanh Bicsol Singapore PTE. Ltd. ("An Thanh Singapore Company")	Subsidiary
An Thanh Bicsol Joint Stock Company ("An Thanh Company")	Subsidiary
An Tin Inter – Transport Joint Stock Company ("An Tin Company")	Subsidiary
An Phat Complex 1 Industrial Park LLC ("An Phat Complex 1")	Subsidiary
An Vinh Packaging JSC ("An Vinh Company")	Subsidiary
An Phat International, Inc.	Subsidiary
AFC Ecoplastics, LLC.	Subsidiary
Hanoi Plastics Joint Stock Company ("Hanoi Plastics Company")	Associate
Vinh Plastic and Bags Joint Stock Company ("Vinh Plastic and Bag Company")	Associate
Nam Viet Software Services and Solutions Joint Stock Company ("Nam Viet Company")	Associate
Sunrise Vietnam Production Joint Stock Company ("Sunrise Company")	Associate of subsidiary

An Dong Petroleum Service Joint Stock Company ("An Dong Company")	Associate of subsidiary
Ancop Joint Stock Company ("Ancop Company")	Associate of subsidiary
An Phat Catering Services Joint Stock Company ("An Phat Catering Company")	Associate of subsidiary
An Cuong High-Tech Building Materials Joint Stock Company ("An Cuong Company")	Affiliate
An Trung Industries Limited Company ("An Trung Company")	Affiliate
Export Import Development Investment Co., Ltd ("Viexim Company")	Affiliate
Vietnam Pattern Manufacture And Precision Mechanical Co., Ltd ("VMC Company")	Affiliate
PBAT An Phat Join Stock Company ("PBAT Company")	Subsidiary (from 29 June 2023)
Ankor Bioplastics Co., Ltd ("Ankor Company")	Subsidiary (from 30 June 2023)
Anbio Joint Stock Company ("Anbio Company")	Company with same key executive member

List of related parties that have a controlling relationship with the Group and other related parties that have transactions and balances with the Group during the year and as 31 December 2023 is as follows: (continued)

Mr Nguyen Le Thang Long	Chairman
Mr Dinh Xuan Cuong	Member of the Board of Directors (Resigned on 15 May 2023)
Ms Nguyen Thi Tien	Member of the Board of Directors
Ms Tran Thi Thoan	Member of the Board of Directors/Deputy General Directors
Mr Phan Tri Nghia	Member of the Board of Directors (Appointed on 20 June 2022)
Mr Ngo Van Thu	Deputy General Director (Resigned on 1 June 2023)
Mr Nguyen Xuan Co	Deputy General Director (Appointed on 1 October 2023)
Ms Hoa Thi Thu Hoa	Member of the Board of Directors (Appointed on 15 May 2023)/ Deputy General Directors
Mr Nguyen Le Trung	Deputy Chairman of Board of Directors (Resigned on 20 June 2022)/ General Director
Ms Lam Thi Hien	Deputy General Director (Resigned on 1 January 2024)
Ms Nguyen Thi Giang	Head of the Board of Supervision
Ms Nguyen Thi Phuong	Member of the Board of Supervision
Ms Van Thi Lan Anh	Member of the Board of Supervision
Mr Pham Do Huy Cuong	Key executive member at parent company and subsidiary
Mr Pham Hoang Viet	Key executive member at subsidiary
Mr Pham Van Tuan	Key executive member at subsidiary
Mr Pham Anh Duong	Key executive member at APH
Ông Phạm Ánh Dương	Lãnh đạo chủ chốt của công ty APH

Significant transactions with related parties in current year and prior year were as follows:

Related parties	Relationship	Transactions	Current year	Previous year
An Phat Holdings Company	Parent company	Lending	468,650,000,000	80,900,000,000
		Lending collection	405,117,000,000	56,900,000,000
		Interest income	14,194,578,563	1,009,549,042
		Receipt capital contributions	-	489,600,000,000
		Transfer of shares	74,200,000,000	370,134,030,000
		Payment for transfer of shares	74,200,000,000	-
		Purchase of goods and services	19,662,089,746	118,105,001,679
		Payment for goods and services	22,487,363,742	227,603,728,262
		Sale of goods and services	985,706,045	5,462,530,139
		Receipt from sale of goods and services	640,093,488	6,000,078,353
		Borrowing	1,300,000,000	194,000,000,000
		Loan repayment	5,170,000,000	194,000,000,000
		Interest expense	49,645,479	3,803,321,325
		Sale of goods and services	93,820,653,601	354,210,427,292
An Cuong Company	Affiliate	Receipt from sale of goods and services	224,542,750,757	268,536,622,018
		Lending	39,000,000,000	133,000,000,000
		Interest income	205,223,287	133,561,644
		Lending collection	12,000,000,000	133,000,000,000
		Purchase of goods and services	25,126,207,565	11,302,651,289
		Payment for goods and services	28,724,351,548	22,536,947,971
		Purchase of goods and services	77,490,096,350	93,954,015,472
		Payment for goods and services	104,128,831,923	81,708,089,849
		Sale of goods and services	13,532,467,919	10,206,449,298
		Receipt from sale of goods and services	16,881,987,883	8,340,671,914
		Lending	-	26,000,000,000
		Lending collection	1,300,000,000	24,700,000,000
		Dividends received	-	3,360,000,000
		Sale of goods and services	19,032,980,370	27,584,461,120
Công ty Nhựa, bao bì Vĩnh	Công ty liên kết	Receipt from sale of goods and services	18,861,776,844	34,948,057,232
		Dividends declared	4,703,974,200	4,703,974,200
		Dividends received	4,703,974,200	4,703,974,200
		Payment for goods and services	211,680,000	3,017,097,020

Related parties	Relationship	Transactions	Current year	Previous year
Anbio Company	Company with same key executive member	Lending	68,380,098,650	35,021,550,275
		Lending collection	77,954,108,249	34,540,209,550
		Interest income	-	19,600,000,000
		Loan repayment	1,000,000,000	18,600,000,000
		Sale of goods and services	719,512,480	29,983,002,285
		Receipt from sale of goods and services	6,175,188,430	26,605,630,525
An Trung Company	Affiliate	Lending	20,000,000,000	30,000,000,000
		Lending collection	20,000,000,000	20,000,000,000
		Interest income	19,726,027	739,383,563
		Loan repayment	8,155,532,826	12,376,027,729
		Sale of goods and services	8,727,241,677	13,089,013,433
VMC Company	Affiliate	Sale of goods and services	3,371,745,319	4,132,510,964
		Receipt from sale of goods and services	3,920,095,911	3,911,143,683
		Lending	-	50,000,000,000
		Lending collection	-	50,000,000,000
Hanoi Plastics Company	Associate	Sale of goods and services	27,751,573,000	39,271,665,600
		Receipt from sale of goods and services	31,292,430,960	42,121,735,775
		Dividends declared	17,286,257,000	-
		Dividends received	17,286,257,000	-
		Borrowing	7,000,000,000	-
		Lending collection	-	130,000,000,000
		Lending	-	100,000,000,000
		Capital contribution	-	274,293,855,000
Ankor Company	Subsidiary (From 30 June 2023)	Lending	-	3,657,040,000
		Interest income	-	1,907,381,583
		Lending collection	12,548,280,000	-
		Sale of goods and services	4,137,856,910	22,135,830,682
		Receipt from sale of goods and services	6,342,211,168	224,095,935
An Phat Catering Company	Associate	Sale of goods and services	24,961,203,212	5,291,541,152
		Receipt from sale of goods and services	27,248,065,373	4,077,560,987
		Capital contribution	15,000,000,000	-
		Lending collection	-	39,000,000,000
PBAT Company	Associate until June 29, 2023 and subsidiary from that date	Lending	92,700,000,000	27,000,000,000
		Lending collection	25,400,000,000	2,000,000,000
Mr Pham Hoang Viet	Key executive member at APC	Payment on behalf and advances	3,918,010,709	13,092,701,860
		Reimbursement	13,071,548,767	7,075,077,984
Mr Pham Van Tuan	Key executive member at APC	Payment on behalf and advances	15,192,444,000	12,060,857,000
		Reimbursement	18,168,068,719	277,134,678
Mr Pham Anh Duong	Key executive member at APH	Payment on behalf and advances	1,681,477,886	4,761,994,126
		Reimbursement	1,273,484,589	6,132,375,090
Mr Pham Do Huy Cuong	Key executive member at subsidiary	Payment on behalf and advances	22,884,887,500	-
		Reimbursement	19,188,490,000	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Outstanding balances at 31 December 2023 are unsecured, interest free and will be settled in cash. For the year ended 31 December 2023, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2022: VND 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

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

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables (Notes 7.1)				
An Cuong Company	Affiliate	Sale of goods and services	4.907.653.599	126.247.685.395
Anbio Company	Company with same key executive member	Sale of goods	3.781.799.955	9.168.092.592
Ankor Company	Subsidiary (From 30 June 2023)	Sale of goods and services	-	28.747.053.176
Ha Noi Plastics Company	Associate	Sale of goods and services	3.019.942.500	4.119.425.220
Sunrise Company	Associate of subsidiary	Sale of goods and services	1.406.603.567	3.575.467.256
Vinh Plastic and Bags Company	Associate	Sale of goods and services	792.842.364	87.450.000
An Phat Holdings Company	Parent company	Sale of goods and services	442.750.000	8.704.800
Other related parties		Sale of goods and services	1.525.004.041	1.320.081.898
			15.876.596.026	173.273.960.337
Long-term trade receivables (Notes 7.1)				
Ankor Company	Subsidiary (From 30 June 2023)	Sale of machineries	-	50.167.619.216
			-	50.167.619.216
Short-term advances to suppliers (Note 7.2)				
An Phat Holdings Company	Parent company	Purchase of goods	6.762.298.003	5.883.512.500
VMC Company	Affiliate	Purchase of goods	239.889.678	-
An Trung Company	Affiliate	Purchase of goods	137.484.864	-
Anbio Company	Company with same key executive member	Purchase of goods	-	3.228.690.598
Ankor Company	Subsidiary (From 30 June 2023)	Purchase of goods	-	7.332.995.188
			7.139.672.545	16.445.198.286
Related parties				
Short-term loan receivables (Note 8)				
An Cuong Company	Affiliate	Lending	27.000.000.000	-
An Phat Holdings Company	Parent company	Lending	14.000.000.000	24.000.000.000
Ankor Company	Subsidiary (From 30 June 2023)	Lending	-	20.213.440.000
PBAT Company	Subsidiary (From 29 June 2023)	Lending	-	25.000.000.000

Sunrise Company	Associate	Lending	-	1.300.000.000
Anbio Company	Company with same key executive member	Lending	-	1.000.000.000
			41.000.000.000	71.513.440.000
Long-term loan receivables (Note 8)				
An Phat Holdings Company	Parent company	Lending	73.533.000.000	-
			73.533.000.000	-
Other short-term receivables (Note 9)				
Mr Pham Van Tuan	Key executive member at APC	Payment on behalf and advances	11.271.900.082	14.247.524.801
Mr Pham Do Huy Cuong	Key executive member at APH and subsidiary	Payment on behalf and advances	3.720.887.500	24.490.000
An Phat Holdings Company	Parent company	Interest income	3.450.219.178	-
Mr Pham Hoang Viet	Key executive member at APC	Payment on behalf and advances	-	9.153.538.058
Other related parties		Other receivables	2.829.844.207	3.913.766.265
			21.272.850.967	27.339.319.124
Other short-term receivables (Note 9)				
An Phat Holdings Company	Parent company	Interest income	1.316.851.165	-
	1.316.851.165	-		
Short-term trade payables (Note 9)				
An Phat Holdings Company	Parent company	Purchase of goods	15.080.965.175	-
Sunrise Company	Associate	Purchase of goods	4.531.619.011	23.738.677.650
An Phat Catering Company	Associate	Purchase of goods	1.952.392.440	1.743.134.280
Anbio Company	Company with same key executive member	Purchase of goods	5.694.537.353	8.673.728.102
An Cuong Company	Affiliate	Purchase of goods	-	1.304.268.706
Other related parties		Purchase of goods	706.968	642.612.392
			27.260.220.947	36.102.421.130
Short-term advance from customers (Note 19.2)				
Anbio Company	Company with same key executive member	Sale of goods	2,434,239,106	-
An Trung Company	Affiliate	Sale of goods	246,217,433	246,217,432
An Cuong Company	Affiliate	Sale of goods	-	58,961,141
			2,680,456,539	305,178,573
An Trung Company	Affiliate	Sale of goods	4,683,816,986	-
An Cuong Company	Affiliate	Sale of goods	4,454,301,369	-
			9,138,118,355	-
Other short-term payables (Note 23)				
An Phat Holdings Company	Parent company	Deposit payables due to contract cancellation	8,410,072,293	-
Ha Noi Plastics Company	Associate	Interest expense	323,246,575	-
An Trung Company	Affiliate	Other payable	136,776,713	41,819,269
			8,870,095,581	41,819,269

Currency: VND

Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term loan payables (Note 24)				
Ha Noi Plastics Company	Associate	Lending	7,000,000,000	-
			7,000,000,000	-
Long-term issued bonds (Note 24)				
An Cuong Company	Affiliate	Bond	73,500,000,000	-
An Trung Company	Affiliate	Bond	31,836,000,000	-
In which:				
Unallocated bond issuance costs			(446,316,605)	-
			104,889,683,395	-

Transactions with other related parties

Remuneration of members of the Board of Directors ("BOD"), Management and allowance for Board of Supervisor during the year::

Currency: VND

Name	Position	Current year	Previous year
Mr Pham Anh Duong	Chairman (Resigned on 20 June 2022)	-	90,000,000
Mr Nguyen Le Thang Long	Chairman	180,000,000	150,000,000
Mr Nguyen Le Trung	Deputy Chairman of Board of Directors (Resigned on 20 June 2022)/ General Director	781,054,923	684,719,153
Ms Hoa Thi Thu Ha	Member of the Board of Directors (Appointed on 15 May 2023)/Deputy General Director	658,665,691	503,696,058
Ms Tran Thi Thoan	Member of Board of Directors/ Deputy General Director	763,066,886	674,675,838
Ms Nguyen Thi Tien	Member of Board of Directors	120,000,000	120,000,000
Mr Phan Tri Nghia	Member of the Board of Directors (Appointed on 20 June 2022)	120,000,000	60,000,000
Mr Dinh Xuan Cuong	Member of Board of Directors (Resigned on 15 May 2023)	10,000,000	120,000,000
Mr Ngo Van Thu	Deputy General Director (Resigned on 1 June 2023)	-	110,646,769
Ms Lam Thi Hien	Deputy General Director	408,484,023	470,615,498
Mr Nguyen Xuan Co	Deputy General Director (Appointed on 1 October 2023)	134,601,692	-
TOTAL		3,175,873,215	2,984,353,316

36. EARNINGS PER SHARE

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

Currency: VND

	Current year	Previous year (Restated)
Net profit after tax attributable to ordinary shareholders	289,410,548,684	152,599,331,716
Distribution to bonus and welfare fund (*)	-	(8,757,281,326)
Net profit after tax attributable to ordinary shareholders for basic earnings per share calculation	289,410,548,684	143,842,050,390
The weighted average number of ordinary shares for basic earnings per share calculation	382,274,496	352,442,167
The weighted average number of ordinary shares adjusted for the effect of dilution	382,274,496	352,442,167
Earnings per share		
- Basic earnings per share	757	408
- Diluted earnings per share	757	408

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

(*) Net profit used to compute earnings per share for the year 31 December 2022 for the year 2022 was restated following the actual allocation to bonus and welfare funds from 2022 retained earnings following Resolution No. 150501/2023//NQ-DHDCD of the Annual General Shareholders' Meeting of the Company on 15 May 2023 and Resolutions of Annual General Shareholders' Meetings of subsidiaries.

Net profit used to compute earnings per share for the year 31 December 2023 was not adjusted for the allocation to Bonus and welfare fund from 2023 profit as the resolution of the General Shareholders' Meeting on such distribution of profit for the current year is not yet available.

37. SEGMENT INFORMATION

The Group select geographical segment as the primary segment reporting unit because the risks and profitability rate of the Group are affected predominantly by the differences in asset locations of the Group.

Business operations of the Company are mainly organized and managed by business locations of assets of the Group, including Vietnam, Singapore, America and Korea.

The Company selects business segments as its secondary segment reporting unit because the Company's risks and rate of return are also affected by differences in products and services provided.

The operating businesses are organised and managed separately for the purpose of making decisions about resource allocation and evaluating performance. The performance of each division is assessed based on profit and loss and determined consistently with the profit and loss of the Group in the consolidated financial statements. However, the financial activities of the Group (including finance expenses and financial income) are monitored on a centralised basis and not allocated to each division.

Prices applicable to transactions between segments are determined on the same basis as with third parties. Revenue, cost, and business results of segments include transactions between segments. These transactions are excluded when preparing the consolidated financial statements.

37.1 SEGMENT INFORMATION AS AT 31 DECEMBER 2023 AND FOR THE YEAR THEN ENDED

Geographical segment

The following tables represent revenue, profit and certain assets and liabilities information regarding the Group's geographical segments:

	Vietnam	Singapore	America	Korea	Elimination	Total
Currency: VND						
Revenues						
Net sales to external customers	9,738,447,302,891	1,869,657,607,606	961,244,650,989	52,164,583,461	-	12,621,514,144,947
Net inter-segment sales	231,814,165,090	408,185,209,971	72,415,289,255	-	(712,414,664,316)	-
Net total revenues	9,970,261,467,981	2,277,842,817,577	1,033,659,940,244	52,164,583,461	(712,414,664,316)	12,621,514,144,947
Results						
Segment net profit/(loss) before tax						
Unallocated income/(expenses) (i)	302,145,650,058	13,886,437,257	(67,144,284,636)	(965,578,487)	64,433,372,327	312,355,596,519
Net profit/(loss) before corporate income tax						65,539,958,430
Corporate income tax expense						377,895,554,949
Net profit for the period						(68,701,731,815)
Other segment information						309,193,823,134
Increase in purchasing fixed assets and construction in progress	1,343,011,204,205	-	-	-	-	1,343,011,204,205
Tangible fixed assets	30,530,014,143	-	-	-	-	30,788,014,143
Construction in progress	447,975,899,702	-	-	-	-	447,975,899,702
Investment properties	864,505,290,360					864,505,290,360
Amortisation and depreciation	315,578,012,683	-	4,830,175,379	-	-	320,408,188,062
Assets and liabilities						
Segment assets	5,655,015,546,586	151,604,999,468	179,510,806,357	174,645,943,974	(19,694,117,249)	6,141,083,179,136
Unallocated assets (ii)						5,442,362,326,780
Total assets						11,583,445,505,916
Segment liabilities	1,734,250,859,705	131,169,000,893	38,497,330,683	147,060,867,175	(71,414,928,516)	1,979,563,129,940
Unallocated liabilities (iii)						3,640,011,435,746
Total liabilities						5,619,574,565,686

Business segment

The following tables represent revenue, profit and certain assets and liabilities information regarding the Group's business segment:

	Manufacturing activities	Trading business activities	Factory business, land leasing and industrial park infrastructure	Other activities	Elimination	Total
Currency: VND						
Revenues						
Net sales to external customers	4,592,002,674,214	7,720,667,099,317	131,884,093,287	176,960,278,129	-	12,621,514,144,947
Net inter-segment sales	166,877,155,806	764,774,555,990	-	103,204,061,538	(1,034,855,773,334)	-
Net total revenues	4,758,879,830,020	8,485,441,655,307	131,884,093,287	280,164,339,667	(1,034,855,773,334)	12,621,514,144,947
Results						
Segment net profit/(loss) before tax	754,322,558,394	253,695,333,140	70,399,725,648	30,275,705,589	-	1,108,693,322,771
Unallocated income/(expenses) (iv)						(730,797,767,808)
Net profit before corporate income tax						377,895,554,963
Corporate income tax expense						(68,701,731,827)
Net profit for the period						309,193,823,136
Other segment information						
Increase in purchasing fixed assets and construction in progress	1,343,011,204,205	-	-	-	-	1,343,011,204,205
Tangible fixed assets	30,530,014,143	-	-	-	-	30,788,014,143
Construction in progress	447,975,899,702	-	-	-	-	447,975,899,702
Investment properties	864,505,290,360					864,505,290,360
Amortisation and depreciation	315,578,012,683	-	4,830,175,379	-	-	320,408,188,062
Assets and liabilities						
Segment assets	1,091,218,601,635	728,470,212,641	1,659,453,032,220	32,604,424,817	(86,344,519,408)	3,425,401,751,905
Unallocated assets (v)						8,158,043,754,002
Total assets						11,583,445,505,907
Segment liabilities	411,886,458,812	282,706,223,156	1,620,006,588,106	20,205,151,608	(83,889,159,928)	2,250,915,261,754
Unallocated liabilities (vi)						3,368,659,303,948
Total liabilities						5,619,574,565,686

37.2 SEGMENT INFORMATION AS AT 31 DECEMBER 2022 AND FOR THE YEAR THEN ENDED

Geographical segment

The following tables represent revenue, profit and certain assets and liabilities information regarding the Group's geographical segments:

	Vietnam	Singapore	America	Elimination trù	Total
Currency: VND					
Revenues					
Net sales to external customers	11,083,639,734,826	2,894,129,987,336	1,312,527,350,925	-	15,290,297,073,087
Net inter-segment sales	827,338,429,632	937,546,487,385	22,471,932,612	(1,787,356,849,629)	-
Net total revenues	11,910,978,164,458	3,831,676,474,721	1,334,999,283,537	(1,787,356,849,629)	15,290,297,073,087
Results					
Segment net profit/(loss) before tax	171,421,012,023	6,161,552,740	(113,892,749,538)	108,845,257,994	172,535,073,219
Unallocated income/(expenses) (i)					13,531,038,484
Net profit before corporate income tax					186,066,111,703
Corporate income tax expense					(68,774,843,766)
Net profit for the period					117,291,267,937
Other segment information					
Increase in purchasing fixed assets and construction in progress	240,113,143,926	-	5,851,269,393	-	245,964,413,319
Tangible fixed assets	237,797,427,350	-	5,851,269,393	-	243,648,696,743
Intangible fixed assets	2,315,716,576	-	-	-	2,315,716,576
Amortisation and depreciation	308,938,657,869	-	2,061,912,331	-	311,000,570,200
Assets and liabilities					
Segment assets	6,855,641,085,380	83,687,378,887	314,914,445,139	(567,795,936,387)	6,686,446,973,019
Unallocated assets (ii)					4,109,385,708,693
Total assets	1,344,685,977,303	105,683,693,575	81,058,768,335	(97,543,798,937)	1,433,884,640,276
Segment liabilities					3,190,762,623,971
Unallocated liabilities (iii)					4,624,647,264,247
Total liabilities					

Business segment

The following tables represent revenue, profit and certain assets and liabilities information regarding the Group's business segment:

	Manufacturing activities	Trading business activities	Factory business, land leasing and industrial park infrastructure	Other activities	Elimination	Total
Currency: VND						
Revenues						
Net sales to external customers	4,797,241,368,421	9,918,694,712,690	184,523,254,568	389,837,737,408		15,290,297,073,087
Net inter-segment sales	100,900,822,400	2,493,952,354,900		214,803,512,552	(2,809,656,689,852)	-
Net total revenues	4,898,142,190,821	12,412,647,067,590	184,523,254,568	604,641,249,960	(2,809,656,689,852)	15,290,297,073,087
Results						
Segment net profit/(loss) before tax	1,021,314,110,929	2,441,788,486,643	117,533,147,822	315,260,828,171	(2,809,656,689,852)	1,086,239,883,713
Unallocated income/(expenses) (iv)						(900,173,772,010)
Net profit before corporate income tax						186,066,111,703
Corporate income tax expense						(68,774,843,766)
Net profit for the period						117,291,267,937
Other segment information						
Increase in purchasing fixed assets and construction in progress	240,113,143,926	5,851,269,393				245,964,413,319
Tangible fixed assets	252,262,932,549	2,061,912,331	45,521,419,183	11,154,306,137		311,000,570,200
Intangible fixed assets						
Amortisation and depreciation						
Assets and liabilities						
Segment assets	1,394,945,151,665	1,946,816,952,877	1,400,188,361,063	28,078,217,657	(524,353,717,892)	4,245,674,965,370
Unallocated assets (v)						6,550,157,716,342
Total assets						10,795,832,681,712
Segment liabilities	596,443,437,491	792,678,344,770	260,405,276,752	29,009,769,336	(521,898,358,412)	1,156,638,469,937
Unallocated liabilities (vi)						3,468,008,794,310
Total liabilities						4,624,647,264,247

Geographical segment

(i) Unallocated income/(expenses) include financial income, financial expenses, other income and other expenses.

(ii) Unallocated assets include cash and cash equivalents, short-term investment, loan receivables and loan interest, long-term investment, provision for long-term investment, deferred tax assets and goodwill.

(iii) Unallocated liabilities include loan payables, loan interest, and accrued expenses and deferred tax liabilities.

Business segment

(iv) Unallocated income/(expenses) include financial income, financial expenses, selling expenses, general and administrative expenses, other income and other expenses.

(v) Unallocated assets include cash and cash equivalents, short-term investment, loan receivables and loan interest receivables, long-term investment, prepaid expenses, value-added tax deductible, tax and other receivables from the State, fixed assets, long-term investments, deferred tax assets and goodwill.

(vi) Unallocated liabilities include statutory obligations, payables to employees, accrued expenses, other payables, bonus and welfare fund, provision for short-term payables, loans and loan interest and deferred tax liabilities.

38 COMMITMENTS

Operating lease commitment

The Group currently is the lessee of land, factories, car and office under operating lease contracts. The future minimum rental consideration as at the balance sheet dates under the operating lease agreements is as follows:

Currency: VND

	Ending balance	Beginning balance
Less than 1 year	6,202,768,052	8,127,765,565
From 1 - 5 years	8,442,606,592	12,568,896,762
More than 5 years	65,952,812,099	892,275,911,873
TOTAL	80,598,186,743	912,972,574,200

Operating lease commitment

The Group is the lessor of factories and services under operating lease arrangements. The future minimum rental consideration as at the balance sheet dates under the operating lease agreements are as follows:

Currency: VND

	Ending balance (*)	Beginning balance
Less than 1 year	61,411,741,335	23,556,881,672
From 1 - 5 years	178,075,720,393	103,619,241,059
More than 5 years	1,378,606,353,702	167,380,573,821
TOTAL	1,618,093,815,430	294,556,696,552

(*) Includes rental payments received in advance for investment properties under the An Phat Industrial Park Complex project and An Phat 1 Industrial Park project (disclosed in Note 22).

Commitment to payment guarantee

The Company and An Cuong Company - the Company's associate, have signed a licensing agreement on some flooring products with another business partner (licensor). Accordingly, the Company unconditionally guarantees the licensor the payment of periodic royalties in the event that An Cuong Company fails to fulfill its obligations within the time limit or fails to pay any other outstanding amounts.

Commitments related to land rental costs

An Phat Complex 1 Company has received decisions to deduct compensation and land clearance from land rent for parts of the An Phat 1 Industrial Park project that have signed land lease contracts with the State. According to the deduction decisions and land lease contracts, An Phat Complex 1 Company is still obliged to pay land rental fee in the period that has not been deducted from October 2069 to February 2071 for the leased land area of about 401 thousand m². This land rental unit price will depend on the unit price at the time of receiving payment notice from the State agency in the future.

Commitments related to investment construction

The Group has signed contracts related to investment in infrastructure development of An Phat 1 Industrial Park. Total commitments under these contracts as of 31 December 2023 are estimated to be VND 155.1 billion.

39. OFF BALANCE SHEET ITEMS

Currency: VND

	Ending balance	Beginning balance
Foreign currency		
- US Dollar (USD)	43,589,612	18,270,893
- Korean Won (KRW)	216,294,765	-
- Euro (EUR)	31,111	10,729
- British Pound Sterling (GBP)	74	93
- Singapore Dollar (SGD)	36,418	15,954
- Russian Ruble (RUB)	11,950	-

40. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the consolidated balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.

Do Hoai Linh	Nguyen Thi Thuy Van	Hoa Thi Thu Ha
Preparer	Chief Accountant	Deputy General Director
Hai Duong, Vietnam		
29 March 2024		



AN PHAT
BIOPLASTICS

AN PHAT BIOPLASTICS JOINT STOCK COMPANY (HOSE: AAA)

A MEMBER OF AN PHAT HOLDINGS

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