

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**  
**AUDITED SEPARATE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2024**

---

Ha Noi, March 2025

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area, lane 2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem district, Hanoi, Vietnam

---

**TABLE OF CONTENTS**

<b>CONTENTS</b>	<b>Page(s)</b>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	2 - 3
INDEPENDENT AUDITORS' REPORT	4 - 5
AUDITED SEPARATE FINANCIAL STATEMENTS	
Separate Balance Sheet	6 - 7
Separate Income Statement	8
Separate Cash flow Statement	9
Notes to the separate Financial Statements	10 - 31



## HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem district, Hanoi, Vietnam

### STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hanoi - Kinhbac Agriculture And Food Joint Stock Company presents this report together with the Company's audited separate financial statements for the fiscal year ended December 31, 2024.

#### THE COMPANY

Hanoi - Kinh Bac Agriculture and Food Joint Stock Company (hereinafter referred to as "the Company"), formerly Hanoi - Kinh Bac Trading and Investment Joint Stock Company, operates under the Business Registration Certificate No. 0104246382 issued by the Hanoi Department of Planning and Investment for the first time on November 9, 2009, changes, and the 16th change registration on August 22, 2018.

According to the 16th amended Business Registration Certificate dated August 22, 2018, the Company's charter capital is: VND 515,999,990,000 (In words: Five hundred and fifteen billion, nine hundred and ninety-nine million, nine hundred and ninety thousand VND).

The abbreviated Company's name is: Hanoi-Kinhbac Agrifood., JSC.

The Company's shares are traded on the UpCOM with the stock code: HKB. The Company's shares are restricted from trading according to Notice No. 1235/TB-SGDHN dated April 4, 2023 of the Hanoi Stock Exchange.

Registered office address: 2nd Floor, Building A4, No. 232, Pham Van Dong Street, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi City.

Head office address: No. 08, Lot TT-03, Hai Dang City Urban Area, lane 2 Ham Nghi street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi, Vietnam.

#### BOARD OF MANAGEMENT, BOARD OF SUPERVISORS AND BOARD OF GENERAL DIRECTORS

Members of Boards of Management, Supervisors and General Directors who held the Company during the year and at the date of this report are as follows:

##### Board of Management

Mr. Duong Quang Lu	Chairman
Mr. Truong Danh Hung	Member
Mrs. Nguyen Phuong Anh	Independent Board Member
Mr. Do Duong Thong	Independent Board Member
Mr. Hoang Tuan Anh	Independent Board Member

##### Board of Supervisors

Mrs. Tran Thi Van	Head of the Board
Mrs. Pham Thi Hai An	Member
Mr. Pham Anh Quan	Member

##### Board of General Directors

Mr. Duong Quang Lu	General Director
Mr. Truong Danh Hung	Deputy General Director
Mr. Uong Huy Dong	Deputy General Director



**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)**

**SUBSEQUENT EVENTS**

According to the Board of General Directors, in the material respects, there have been no other significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments or disclosures to be made in the separate financial statements for the year ended December 31, 2024.

**AUDITORS**

The Company's separate financial statements for the year ended December 31, 2024 have been audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT.

**RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS**

The Company's Board of General Directors is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31/12/2024 as well as of its income and cash flows statements for the year then ended, complying with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant regulations in preparation and disclosure of separate financial statements. In preparing these separate financial statements, the Board of General Directors is required to:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the Accounting Standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the separate financial statements;
- Design and effectively implement the internal control system in order to ensure that the preparation and presentation of the separate financial statements are free from material misstatements due to frauds or errors;
- Prepare the separate financial statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the separate financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the separate financial statements. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing the separate financial statements.

For and on behalf of the Board of General Directors,



**Duong Quang Lu**  
**Chairman of Board of Management & General Director**  
*Hanoi, March 24, 2025*

N: 01  
CÔNG TY  
TINH  
H  
EM T  
A VIET  
NAM  
HANOI

**Head Office in Hanoi:**

8<sup>th</sup> floor, VG Building, No. 235 Nguyen Trai Str.,  
Thanh Xuan Dist., Hanoi, Vietnam

+84 (24) 3 783 2121    info@cpavietnam.vn  
+84 (24) 3 783 2122    www.cpavietnam.vn

No:119/2025/BCKT-CPA VIETNAM-NVI

**INDEPENDENT AUDITORS' REPORT**

**To: Shareholders**  
**Boards of Management, Supervisors and General Directors**  
**Hanoi - Kinhbac Agriculture And Food Joint Stock Company**

We have audited the accompanying separate financial statements of Hanoi - Kinhbac Agriculture And Food Joint Stock Company prepared on March 24, 2025, from page 06 to page 31, including the Separate Balance Sheet as at December 31, 2024, and the Separate Income Statement, and Separate Cash flows Statement for the year then ended, and Notes to the Separate financial statements.

**The Board of General Directors' responsibility**

The Board of Directors are responsible for the preparation and presentation of these Separate financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparing and Separate financial statements and for such internal control as the Board of Director determine is necessary to enable the preparation of Separate 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 separate financial statements based on our audit conducted in accordance with Vietnamese Standards on Auditing. However, because of the matters described in the "Basis for Disclaimer of Opinion" paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.-

**Basis for Disclaimer of Opinion**

As stated in Note 5.2 of the Separate Financial Statements, as of December 31, 2024, the Company had recognized investments in its subsidiaries in accordance with Resolution No. 26/2016/NQ-HĐQT dated October 5, 2016, of the Company's Board of Directors regarding long-term financial investments in two subsidiaries: Lumex Vietnam Agricultural Joint Stock Company and Hung Loc Phat Gia Lai Agricultural Joint Stock Company, with investment amounts of VND 354,000,000,000 and VND 80,000,000,000, respectively. The total original cost of these investments was VND 434,000,000,000, accounting for 76.11% of the Company's total assets as of December 31, 2024 (75.36% as of December 31, 2023). Lumex Vietnam Agricultural Joint Stock Company and Hung Loc Phat Gia Lai Agricultural Joint Stock Company did not generate any revenue during the period from 2018 to 2024. We have performed audit procedures; however, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of these investments as of December 31, 2024. Accordingly, we are unable to express an opinion on the recoverability of these investments as of December 31, 2024, or on the potential impact of this matter on the separate financial statements for the year ended December 31, 2024.

As stated in Note 5.8 of the Separate Financial Statements, the original cost of inventory shortages accumulated as of December 31, 2024, was VND 1,776,806,381 (VND 1,776,806,381 as of December 31, 2023). The Company has not determined the cause of the inventory shortages and has not made appropriate adjustments to the value of the missing inventory. We were unable to obtain sufficient appropriate audit evidence; therefore, we are not in a position to express an opinion on the accuracy of the value of these inventory shortages or their impact on other items presented in the separate financial statements for the year ended December 31, 2024.

As stated in Note 5.4 of the Separate Financial Statements, the advance to Mr. Nguyen Chi Dang as of December 31, 2024, amounted to VND 4,034,402,737, originating from 2016. We were unable to obtain sufficient appropriate audit evidence regarding the existence and recoverability of this advance as of December 31, 2024, and December 31, 2023. Accordingly, we are unable to determine whether any adjustments to these amounts are necessary.

As stated in Section 4 of the Separate Financial Statements, as of December 31, 2024, the Company's current liabilities exceeded its current assets by VND 151,698,150,634, including overdue liabilities of VND 83,861,754,670. For the financial year then ended, the Company reported a net loss of VND 12,710,565,255 and had an accumulated loss of VND 138,396,744,958 as of December 31, 2024. These factors raise doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern depends on the recovery of outstanding receivables and financial support from shareholders and creditors. We were unable to obtain sufficient appropriate audit evidence regarding these operational plans. Accordingly, we are unable to determine whether the accompanying separate financial statements, prepared under the assumption that the Company will continue as a going concern, are appropriate.

### Disclaimer of Opinion

Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we are unable to express an audit opinion on the accompanying separate financial statements.

### Other Matter

The Chairman of Board of Management is concurrently holding the position of General Director is not in compliance with the regulations on corporate governance for public companies.



A handwritten signature in blue ink, appearing to read "Shank".

**Phan Thanh Nam**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No: 1009-2023-137-1

*Power of Attorney No: 02/2025/UQ-CPA VIETNAM of Chairman of Management Board dated 02/01/2025*

For and on behalf of

**CPA VIETNAM AUDITING COMPANY LIMITED**

**An Independent member of INPACT**

*Ha Noi, March 24, 2025*

**Luu Anh Tuan**  
**Auditor**  
Audit Practising Registration Certificate  
No: 1026-2024-137-1

SEPARATE BALANCE SHEET

As at 31 December 2024

ASSETS	Code	Note	31/12/2024	01/01/2024
			VND	VND
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>12,093,584,901</b>	<b>12,106,539,505</b>
(100 = 110+130+140+150)				
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5.1</b>	<b>185,289,444</b>	<b>932,739,671</b>
1. Cash	111		185,289,444	932,739,671
<b>II. Short-term receivables</b>	<b>130</b>		<b>10,979,285,129</b>	<b>10,246,139,882</b>
1. Short-term receivables from customers	131	5.3	77,984,853,927	78,111,301,031
2. Prepayments to suppliers in short-term	132	5.5	2,031,973,531	2,020,973,531
3. Other short-term receivables	136	5.4	9,526,583,029	8,677,990,678
4. Short-term allowances for doubtful debts	137	5.6	(79,246,767,358)	(79,246,767,358)
5. Shortage of assets awaiting resolution	139	5.7	682,642,000	682,642,000
<b>III. Inventories</b>	<b>140</b>	<b>5.8</b>	<b>23,000,000</b>	<b>23,000,000</b>
1. Inventories	141		1,799,806,381	1,799,806,381
2. Allowances for devaluation of inventories	149		(1,776,806,381)	(1,776,806,381)
<b>IV. Other current assets</b>	<b>150</b>		<b>906,010,328</b>	<b>904,659,952</b>
1. Deductible value added tax	152		906,010,328	904,659,952
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>558,151,820,691</b>	<b>563,802,894,779</b>
(200 = 210+220+240+250+260)				
<b>I. Long-term receivables</b>	<b>210</b>		<b>-</b>	<b>-</b>
<b>II. Fixed assets</b>	<b>220</b>		<b>82,225,404,064</b>	<b>87,475,275,187</b>
1. Tangible fixed assets	221	5.12	75,077,404,064	80,327,275,187
<i>Historical costs</i>	222		112,897,797,385	112,897,797,385
<i>Accumulated depreciation</i>	223		(37,820,393,321)	(32,570,522,198)
2. Intangible fixed assets	227	5.11	7,148,000,000	7,148,000,000
<i>Historical costs</i>	228		7,148,000,000	7,148,000,000
<i>Accumulated amortization</i>	229		-	-
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>4,461,722,727</b>	<b>4,461,722,727</b>
1. Construction in progress	242	5.9	4,461,722,727	4,461,722,727
<b>IV. Long-term investments</b>	<b>250</b>	<b>5.2</b>	<b>462,000,000,000</b>	<b>462,000,000,000</b>
1. Investments in subsidiaries	251		434,000,000,000	434,000,000,000
2. Investments in equity of other entities	253		28,000,000,000	28,000,000,000
<b>V. Other long-term assets</b>	<b>260</b>		<b>9,464,693,900</b>	<b>9,865,896,865</b>
1. Long-term prepaid expenses	261	5.10	9,464,693,900	9,865,896,865
<b>TOTAL ASSETS</b>	<b>270</b>		<b>570,245,405,592</b>	<b>575,909,434,284</b>
(270 = 100+200)				

SEPARATE BALANCE SHEET ( CONTINUED)

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024	01/01/2024
			VND	VND
<b>C- LIABILITIES</b>	<b>300</b>		<b>177,125,255,583</b>	<b>170,078,719,020</b>
(300 = 310+330)				
<b>I. Short-term liabilities</b>	<b>310</b>		<b>163,791,735,535</b>	<b>156,175,198,972</b>
1. Short-term trade payables	311	5.13	14,048,391,649	15,417,479,478
2. Short-term prepayments from customers	312	5.15	5,696,009,191	5,610,412,260
3. Taxes and other payables to government budget	313	5.17	50,435,098	51,451,816
4. Payables to employees	314		3,473,778,055	3,470,052,400
5. Short-term accrued expenses	315	5.16	56,068,860,393	45,442,596,269
6. Other short-term payments	319	5.18	185,301,479	207,247,079
7. Short-term borrowings	320	5.14	84,091,754,670	85,798,754,670
8. Bonus and welfare fund	322		177,205,000	177,205,000
<b>II. Long-term liabilities</b>	<b>330</b>		<b>13,333,520,048</b>	<b>13,903,520,048</b>
1. Long-term borrowings	338	5.14	13,333,520,048	13,903,520,048
<b>D- OWNERS' EQUITY</b>	<b>400</b>		<b>393,120,150,009</b>	<b>405,830,715,264</b>
(400 = 410)				
<b>I. Owners' equity</b>	<b>410</b>	<b>5.19</b>	<b>393,120,150,009</b>	<b>405,830,715,264</b>
1. Contributed capital	411		515,999,990,000	515,999,990,000
- Ordinary shares with voting rights	411a		515,999,990,000	515,999,990,000
2. Development and investment funds	418		15,516,904,967	15,516,904,967
3. Undistributed profit after tax	421		(138,396,744,958)	(125,686,179,703)
- Undistributed profit after tax brought forward	421a		(125,686,179,703)	(113,723,695,236)
- Undistributed profit after tax for the current year	421b		(12,710,565,255)	(11,962,484,467)
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>570,245,405,592</b>	<b>575,909,434,284</b>
(440 = 300+400)				

Hà Nội, March 24, 2025

Preparer

Chief Accountant

Chairman of Board of  
Management & General Director

*Trần Thị Diễm*

Le Van Quang

*Duong Quang Lu*





**SEPARATE INCOME STATEMENT**

For the year ended 31 December 2024

ITEMS	Code	Note	Year 2024	Year 2023
			VND	VND
1. Revenues from sales and services rendered	01	6.1	5,970,103,950	6,207,896,340
2. Revenue deductions	02		-	-
3. Net revenues from sales and services rendered (10 = 01-02)	10		5,970,103,950	6,207,896,340
4. Costs of goods sold	11	6.2	3,824,351,253	2,377,295,514
5. Gross revenues from sales and services rendered (20 = 10-11)	20		2,145,752,697	3,830,600,826
6. Financial income	21	6.3	1,457,677	1,629,797
7. Financial expenses	22	6.4	10,626,264,124	10,725,805,707
<i>In which: Interest expenses</i>	23		10,626,264,124	10,725,805,707
8. Selling expenses	25		-	-
9. General administration expenses	26	6.5	4,087,296,105	4,881,936,854
10. Net profits from operating activities {30 = 20+(21-22)+24-(25+26)}	30		(12,566,349,855)	(11,775,511,938)
11. Other income	31	6.6	400,000	45
12. Other expenses	32	6.6	144,615,400	186,972,574
13. Other profits (40 = 31-32)	40		(144,215,400)	(186,972,529)
14. Total net profit before tax (50 = 30+40+45)	50		(12,710,565,255)	(11,962,484,467)
15. Current corporate income tax expenses	51	6.7	-	-
16. Profits after enterprise income tax (60 = 50-51-52)	60		(12,710,565,255)	(11,962,484,467)

Hanoi, March 24, 2025

Preparer

Chief Accountant

Chairman of Board of  
Management & General Director

*Phan Phi Diem*  
Phan Phi Diem

*Le Van Quang*  
Le Van Quang

*Duong Quang Lu*  
Dương Quang Lu



**SEPARATE CASH FLOW STATEMENT**

(Indirect method)

For the year ended 31 December 2024

ITEMS	Code Note	Year 2024	Year 2023
		VND	VND
<b>I. Net cash flows from operating activities</b>			
1. Profit before tax	01	(12,710,565,255)	(11,962,484,467)
2. Adjustments for			
- Depreciation of fixed assets and investment properties	02	5,249,871,123	4,117,020,524
- Gains (losses) on exchange rate differences from revaluation of accounts derived from foreign currencies	04	(531,056)	(458,637)
- Gains (losses) on investing activities	05	(926,621)	(1,171,160)
- Interest expenses	06	10,626,264,124	10,725,805,707
3. Operating profit before changes in working capital	08	3,164,112,315	2,878,711,967
- Increase (decrease) in receivables	09	(734,495,623)	(1,177,589,166)
- Increase (decrease) in payables (excluding interest payable, corporate income tax payable)	11	(1,302,727,561)	(1,295,607,869)
- Increase (decrease) in prepaid expenses	12	401,202,965	681,765,627
- Interest paid	14	-	(170,478,222)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>1,528,092,096</b>	<b>916,802,337</b>
<b>II. Cash flows from investing activities</b>			
1. Proceeds from interests, dividends and distributed profits	27	926,621	1,171,160
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>926,621</b>	<b>1,171,160</b>
<b>III. Cash flows from financial activities</b>			
1. Repayment of principal	34	(2,277,000,000)	(255,000,000)
<b>Net cash flows from financial activities</b>	<b>40</b>	<b>(2,277,000,000)</b>	<b>(255,000,000)</b>
<b>Net cash flows during the fiscal year (50 = 20+30+40)</b>	<b>50</b>	<b>(747,981,283)</b>	<b>662,973,497</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>	<b>60</b>	<b>932,739,671</b>	<b>269,307,537</b>
Effect of exchange rate fluctuations	61	531,056	458,637
<b>Cash and cash equivalents at the end of the fiscal year (70 = 50+60+61)</b>	<b>70 5.1</b>	<b>185,289,444</b>	<b>932,739,671</b>

Hanoi, March 24, 2025

Preparer

Chief Accountant

Chairman of Board of  
Management & General Director

*Trần Thị Diễm*  
Trần Thị Diễm

*Le Van Quang*  
Le Van Quang

*Dương Quang Lưu*  
Dương Quang Lưu



## HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

Form B 09 - DN  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

### NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

#### 1. COMPANY INFORMATION

##### 1.1 Structure of ownership

Hanoi - Kinhbac Agriculture And Food Joint Stock Company, formerly Hanoi - Kinh Bac Trading and Investment Joint Stock Company, operates under Business Registration Certificate No. 0104246382 issued by the Hanoi Department of Planning and Investment for the first time on November 9, 2009, changes, 16th change registration on August 22, 2018.

According to the 16th amended Business Registration Certificate dated August 22, 2018, the Company's charter capital is: VND 515,999,990,000 (In words: Five hundred and fifteen billion, nine hundred and ninety-nine million, nine hundred and ninety thousand VND).

The abbreviated Company's name is: Hanoi-Kinhbac Agrifood., JSC.

Registered office address: 2nd Floor, Building A4, No. 232, Pham Van Dong Street, Co Nhue 1 Ward, Bac Tu Liem District, Hanoi City.

Head office address: No. 08, Lot TT-03, Hai Dang City urban area, lane 2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem district, Hanoi, Vietnam.

The Company's shares are traded on the UpCom with the stock code: HKB. The Company's shares are restricted from trading according to Notice No. 1235/TB-SGDHN dated April 4, 2023 of the Hanoi Stock Exchange.

The number of employees of the Company as of December 31, 2024 is 7 people, as of January 1, 2024 is 7 people.

##### 1.2 Operating industries and principle activities

Company's business lines:

- Wholesale of rice;
- Processing and preserving meat and meat products;
- Retailing of food in specialized stores, details: Retailing of meat and meat products, aquatic products, vegetables, fruits, sugar, milk and dairy products, cakes, jams, candies and products processed from cereals, flour, starch, other foods in specialized stores: ground coffee, instant coffee, tea, black beans, green beans, soybeans;
- Producing animal and vegetable oils and fats;
- Wholesale of food, details: Wholesale of meat and meat products, aquatic products, vegetables, fruits, coffee, tea, sugar, milk and dairy products, candies and products processed from cereals, flour, starch, other foods, eggs and egg products, oil, animal and vegetable fats, pepper, other spices, pet food;
- Milling and producing raw flour; Processing and preserving aquatic products and aquatic products; Processing and preserving vegetables and fruits; Production of construction materials from clay; Casting iron and steel; Warehousing and storage of goods (except real estate business); Salt exploitation;
- Production of construction wood products; Production of starch and starch products;
- Short-term accommodation services, details: Hotel services; Guesthouses, motels providing short-term accommodation services (excluding bars, karaoke rooms, and dance halls);
- Mining of iron ore; Mining of rare metal ores; Production of non-ferrous metals and precious metals; Production of corrugated paper, corrugated cardboard, packaging from paper and cardboard; Production of plastic products, details: Production of plastic packaging;

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

**Form B 09 - DN**

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**1.2 Operating industries and principle activities (Continued)**

- Trading in real estate, land use rights owned, used or leased, details: Trading in real estate;
- Wholesale of separate items; Wholesale of beverages; Wholesale of other materials and installation equipment in construction, details: Wholesale of bamboo, wood and processed wood, cement, bricks, tiles, stones, sand, gravel, construction glass, paint, varnish, tiles and sanitary equipment, hardware, other materials and installation equipment in construction; Other specialized wholesale not classified elsewhere, details: - Wholesale of chemical glues; - Wholesale of incense, incense and aromatic preparations when burned; - Wholesale of fertilizers; - Wholesale of other chemicals (except those used in agriculture);
- Exploitation of chemical minerals and fertilizer minerals;
- Forest planting and care; Timber exploitation (except those prohibited by the State);
- Retail sale of other new goods in specialized stores, details: Retail sale of souvenirs, wickerwork, handicrafts in specialized stores; Production of basic chemicals;
- Agents, brokers, auctioneers, details: - Agents for purchasing, selling, consigning goods; - Commercial brokerage;
- Other remaining business support services not elsewhere classified, details: - Entrusting and receiving entrustment for exporting and importing goods; - Importing and exporting goods traded by the Company;
- Production of other chemical products not elsewhere classified, details: - Production of glues and prepared substances; - Production of all kinds of incense;
- Mining of other non-ferrous metal ores;
- Wholesale of agricultural and forestry raw materials (except wood, bamboo, rattan) and live animals, details: Wholesale of rice, corn and other cereal grains: black beans, green beans, soybeans, food and raw materials for making feed for livestock, poultry and aquatic products, other agricultural and forestry raw materials: wholesale of seeds, oil-bearing fruits, cassava chips;
- Manufacture of other food products not elsewhere classified, details: Roasting and filtering coffee; Production of coffee products such as: instant coffee, filtered coffee, coffee extracts and concentrated coffee; Production of coffee substitutes; Blending of tea and additives; Production of extracts and preparations from tea or tea; Other preparations from rice;
- Retail sale of beverages in specialized stores (excluding bars, karaoke rooms, and dance halls); Restaurants and mobile food services (excluding bars, karaoke rooms, and dance halls);
- Forestry service activities; Production of plywood, veneer, plywood, and other thin boards; Production of animal feed, poultry feed, and aquatic products;
- Other mining not elsewhere classified, details: Mining and exploitation of minerals and other raw materials not elsewhere classified such as: Raw materials for grinding stones, precious stones, minerals, natural graphite, and other additives, precious stones, quartz powder, mica;
- Exploitation of other forest products except wood (Except those prohibited by the State);
- Production of other products from wood; production of products from bamboo, rattan, straw, thatch and plaiting materials;
- Retail sale of food in specialized stores; Production of refractory products; Casting of non-ferrous metals; Exploitation of stone, sand, gravel, clay; Production of wooden packaging; Production of cement, lime and plaster./.

The principle activities of the Company this year: Agricultural products trading and warehouse rental.

**1.3 Normal operating cycle**

The Company's normal operating cycle is 12 months.

**HANOI - KINH BAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

Form B 09 - DN

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**1.4 The Company structure**

As of December 31, 2024, the Company has the following subsidiaries and affiliated units:

No	Name	Address	Capital contribution ratio (%)	Voting Ratio (%)	Major business lines	Other information
<b>Directly owned subsidiaries</b>						
1	Hung Loc Phat Gia Lai Agricultural Joint Stock Company	Gia Lai, Vietnam	88,89%	88,89%	Production, cultivation, wholesale of agricultural and forestry raw materials (except wood, bamboo and rattan); and live animals	Operating under Business Registration Certificate No. 5901023354 first issued by the Department of Planning and Investment of Gia Lai province on December 1, 2015. Charter capital: 90,000,000,000 VND
2	Lumex Vietnam Agricultural Joint Stock Company	Hanoi, Vietnam	83,42%	83,42%	Production of fertilizers and nitrogen compounds	Operating under Business Registration Certificate No. 0105740851, first registered on December 19, 2011 issued by the Department of Planning and Investment of Hanoi City. Charter capital: 410,000,000,000 VND
<b>Indirectly owned subsidiaries</b>						
1	Tan Hung Trading - Import Export Joint Stock Company	Hanoi, Vietnam	70,33%	83,33%	Wholesale of automobiles and other motor vehicles; Wholesale of agricultural and forestry raw materials (except wood, bamboo); and live animals	Operating under Business Registration Certificate No. 0307863126, first registered on March 31, 2009, issued by the Department of Planning and Investment of Ho Chi Minh City. Charter capital: 50,000,000,000 VND
<b>Affiliated units</b>						
1	Gia Lai Branch	Gia Lai, Vietnam				

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

**Form B 09 - DN**  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**1.5 Statement on the comparability of information in the Separate financial statements**

The Company consistently applies accounting policies in accordance with the Vietnamese Enterprise Accounting Regime issued together with Circular No. 200/2014/TT-BTC dated December 22, 2014 and Circular No. 53/2016/TT-BTC dated March 21, 2016 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Ministry of Finance, therefore, the information and figures presented in the Separate financial statements are comparable.

**2. ACCOUNTING PERIOD, MONETARY UNIT IN ACCOUNTING**

**Accounting period**

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

**Accounting currency**

The accompanying separate financial statements are expressed in Vietnam Dong (VND).

**3. ADOPTED ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM**

**Adopted Accounting System**

The Company adopted Vietnamese Enterprise Accounting Systems promulgated under Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT-BTC dated March 21, 2016 amending and supplementing some articles of Circular No. 200/2014/TT-BTC Guidance on Vietnamese Enterprise Accounting Systems.

**Statements for the compliance with Accounting Standards and System**

The Company's Board of General Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Separate Financial Statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the main accounting policies applied by the Company in preparing separate financial statements:

**Basis of preparation of the separate financial statements**

The accompanying separate financial statements are presented in Vietnam Dong (VND), according to the principle of historical cost and in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and relevant legal regulations regarding the preparation and presentation of the separate financial statements.

The separate financial statements are prepared on the basis of aggregating data of the affiliated units and the financial statements of the Company's Office, the major transactions and balances between the Company's Office and the affiliated units and between the units have been eliminated when presenting the separate financial statements.

These are the separate financial statements of the Company, which do not include the financial statements of its subsidiaries. Users are advised to read them in conjunction with the Company's consolidated financial statements for the financial year ended December 31, 2024, to obtain complete information regarding the Company's financial position, business performance, and cash flows for the year.

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Going concern assumption**

As of December 31, 2024, the Company's current liabilities exceeded its current assets by VND 144,068,659,467, including overdue liabilities amounting to VND 85,568,754,670. For the financial year ended on the same date, the Company incurred a net loss of VND 11,962,484,467 and had an accumulated loss of VND 125,686,179,703 as of December 31, 2024. The Executive Board has assessed this matter and developed a Remedial Plan, which includes:

- Seeking partners for collaboration (leasing warehouse roofs) to implement rooftop solar power projects at three warehouses located at: Plot 1.5.2, Nhon Hoa Industrial Park, An Nhon Town, Binh Dinh Province, with an area of 19,968 m<sup>2</sup>, and land use rights valid until July 17, 2059; Plot 2.5.1, Nhon Hoa Industrial Park, An Nhon Town, Binh Dinh Province, with an area of 15,505.34 m<sup>2</sup>, and land use rights valid until July 17, 2059.
- Seeking domestic and international partners to implement a solar power project on part of the 546-hectare land area located in Subzone 228, Ea Bung Commune, Ea Sup District, Dak Lak Province, as well as a combined forestry and agroforestry project;
- Negotiating the extension of repayment terms for personal loan debts.

The Board of General Directors believes that the Company will continue its operations for at least the next 12 months. Accordingly, the Board of General Directors has decided to prepare the Company's separate financial statements on a going concern basis. The accompanying separate financial statements do not include any adjustments that may arise from the outcome of the above events.

**Accounting estimates**

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

**Exchange rates applied in accounting**

For transactions arising in foreign currencies

Transactions arising in foreign currencies are converted at the exchange rate applicable at the time of the transaction, the exchange rate difference arising from these transactions is recorded as financial income and expenses in the separate income statement.

Revaluation of foreign currency items at the time of preparing the separate financial statements

- (i) Foreign currency items classified as assets (Cash, Receivables, ...): Revaluation at the buying exchange rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam as of December 31, 2024.
- (ii) Foreign currency items classified as liabilities (Payables to suppliers): Revaluation at the selling exchange rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam as of December 31, 2024.

Exchange rate differences arising from revaluation are transferred to account Exchange rate differences - 413, the balance of this account will be transferred to Financial income or expenses at the time of preparing the separate financial statements.

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

**Form B 09 - DN**

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and cash equivalents**

Cash comprises cash on hand, cash in bank. Cash and bank deposits are recorded on the basis of actual receipts and payments.

**Financial investments**

*Investments in subsidiaries and other investments*

Investments in subsidiaries over which the Company has control are stated at cost method in the separate financial statements.

Profit distributions that Company received from the accumulated profits of the subsidiaries after the Company obtains control rights are recognized in the separate income statement. Other distributions are considered a recovery of investment and are deducted to the investment value.

Other investments: Recorded using the cost method.

**Receivables**

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties.

**Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost of inventories comprise costs of direct materials, direct labor, and general operation (if any) incurred in bringing the inventories to their present location and conditions.

Inventories are accounted for using the perpetual inventory method and are valued using the weighted average method.

Net realizable value is the estimated selling price of inventory items less all estimated costs of completion and costs of marketing, selling and distribution.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the historical cost of inventories.

**Accounting principles and depreciation of tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

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

	<u>Depreciation period</u>
	<u>Years</u>
Buildings, structures	15 - 50
Machinery and equipment	06 - 20
Motor vehicles	06 - 10
Office equipment	03 - 05
Others	03 - 15



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting principles and depreciation of tangible fixed assets (continued)**

When tangible fixed assets are sold or disposed of, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

**Accounting principles and amortization of intangible fixed assets**

The Company's intangible assets are land use rights with indefinite terms, are stated at historical cost less accumulated amortization.

Historical costs of intangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

Land use rights with indefinite terms are not amortized.

**Prepaid expenses**

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods. The Company's prepaid expenses includes:

***Tools, equipment***

Tools and equipment that have been put into use are allocated to expenses using the straight-line method with an allocation period of no more than 3 years.

***Land lease rent***

Prepaid land rent represents the land rent paid for the land the Company is using. Prepaid land rent is allocated to expenses on a straight-line method over the lease term from 23 to 38 years.

**Construction in progress**

Construction in progress reflects the Properties in progress for production, leasing, administrative purposes, or for any other purposes are recognized at the historical cost. This cost includes relevant service fees, interest fees in accordance with the Company's accounting policies. Depreciation of these assets is the same as the other assets, commencing from these assets are ready for their intended use.

**Payables**

The account payables are monitored in detail by payable terms, payable parties, original currency and other factors depending on the Company's management requirement.

The account payables include payables as trade payables, loans payable, and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: reflect payables of commercial nature arising from the purchase of goods, services, or assets, payables for import through trustees of which the seller is an independent entity with the Company
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Loans**

Including loans, excluding loans in the form of bonds or preference shares with terms that the issuer is required to repurchase at a certain point in the future.

The Company monitors loan amounts and financial liabilities in detail by each type and classifies them into short-term and long-term according to repayment terms.

Expenses directly related to the loan are recognized to financial expenses, except for expenses incurred from a separate loan for investment, construction or production in progress, which are capitalized according to Accounting Standard "Borrowing costs".

**Accrued expenses**

Accrued expenses are those already recorded in operating expenses in the year but not actually paid to ensure that when these expenses actually occur, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

The Company recognizes Accrued expenses as follows:

- Accrued interest payables: accruing interest expenses according to loan agreements.

**Owners' equity**

Capital is recorded according to the actual amounts invested by shareholders.

Undistributed profits are determined based on the business results after corporate income tax and the Company's profit distribution or loss handling.

Equity funds are established based on the Company's Charter.

**Principles and methods of revenue and other income recognition**

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- Determine the portion of work completed at the Balance Sheet date; and
- Determine the costs incurred for the transaction as well as the cost to complete the transaction to provide that service.

***Revenue from interest income, dividends and profits received and other income:***

The revenue is recognized when the Company can obtain economic benefits from the above activities and when it is reliably measured.

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area,  
lane 2 Ham Nghi street, My Dinh 2 ward, Nam  
Tu Liem district, Hanoi, Vietnam

Form B 09 - DN

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Cost of goods sold**

Including the cost of goods and services recorded in accordance with revenue during the year.

Any excess inventory costs are recognized immediately in the cost of goods sold.

**Financial expenses**

Financial expenses reflect expenses incurred during the year, which mainly include borrowing costs, costs of capital contribution to joint ventures and associates, and realized exchange rate losses.

**Current corporate income tax expense**

Corporate income tax expenses (or corporate income tax income): is total current income tax expenses (or total current tax) in determining profit or loss of a period.

- Current income tax expenses: are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

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

The determination of the Company's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the examination results of the competent tax authorities.

**Related parties**

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of the relationship is focused more than its legal form.

**Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) that is subject to risks and returns that are different from those of other segments. The Board of General Directors believes that the Company operates mainly in the fields of agricultural trading, warehouse leasing, and within the territory of Vietnam. Therefore, the Company does not present segment reporting by business segment and by geographical area in accordance with Vietnamese Accounting Standard No. 28 - Segment Reporting.

**5. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE BALANCE SHEET****5.1 Cash and cash equivalents**

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	74,715,688	52,107,731
Cash at bank	110,573,756	880,631,940
<b>Total</b>	<b>185,289,444</b>	<b>932,739,671</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.2 Financial investments**

**a. Investments in equity of other entities**

	31/12/2024		01/01/2024			
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
<b>a) Investments in Subsidiaries</b>	434,000,000,000	(*)	-	434,000,000,000	(*)	-
Lumex Vietnam Agricultural Joint Stock Company (i)	354,000,000,000		-	354,000,000,000		-
Hung Loc Phat Gia Lai Agricultural Joint Stock Company (ii)	80,000,000,000		-	80,000,000,000		-
<b>b) Investments in other entities</b>	28,000,000,000	(*)	-	28,000,000,000	(*)	-
Tan Cuong Agricultural Service Cooperative	28,000,000,000		-	28,000,000,000		-
<b>Total</b>	<b>462,000,000,000</b>		-	<b>462,000,000,000</b>		-

Unit: VND

(\*) The Company's investments are not listed, so the fair value has not been determined. The Vietnamese Accounting System and Vietnamese Accounting Standards do not have specific guidance on determining fair value based on valuation methods. Fair value may differ from book value.

Resolution No. 26/2016/NQ-HDQT dated October 5, 2016 of the Board of Management of the Company on making long-term financial investments in two subsidiaries including:

- (i) Investing in Lumex Vietnam Agricultural JSC with the amount of VND 354,000,000,000 (accounting for 83.42% of the Charter Capital of the Subsidiary);
- (ii) Investing in Hung Loc Phat Gia Lai Agricultural JSC with the amount of VND 80,000,000,000 (accounting for 88.89% of the Charter Capital of the Subsidiary);

Specifically:

- In 2016, Lumex Vietnam Agricultural JSC used its entire charter capital of VND 410 billion to purchase 3,416,666 shares of existing shareholders at Tan Hung Import-Export Trading JSC at a purchase price of VND 120,000/share, par value of VND 10,000/share and accounting for 68.33% of charter capital.
- In 2016, Hung Loc Phat Gia Lai Agricultural JSC used its entire charter capital of VND 90 billion to buy 750,000 shares of existing shareholders at Tan Hung Import-Export Trading JSC at a purchase price of VND 120,000/share, par value of VND 10,000/share and accounting for 15.00% of charter capital.
- Tan Hung Import-Export Trading JSC has a charter capital of 50 billion VND, owner's equity as of December 31, 2024 is 43,422,623,179 VND. The Company made a cash advance to Mr. Pham Thanh Binh - Former Director of the Company according to Payment Voucher No. PC00011 dated December 1, 2016, amounting to 47,634,000,000 VND. As of December 31, 2024, the above advance item has not been reversed with a value of 47,584,000,000 VND.

**HANOI - KINH BAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area, lane  
2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

**Form B 09 - DN**  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.3 Trade receivables**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>77,984,853,927</b>	<b>78,111,301,031</b>
Thuan Thanh Cong Gia Lai Company Limited	54,001,229,781	54,001,229,781
Hung Thinh An Investment and Trading Company Limited	20,079,000,000	20,079,000,000
Others	3,904,624,146	4,031,071,250
<b>Total</b>	<b>77,984,853,927</b>	<b>78,111,301,031</b>
<i>Receivables from customers are related parties</i> (Detail in note No.7.1)	<i>470,016,100</i>	<i>470,016,100</i>

**5.4 Other receivables**

*Unit: VND*

	31/12/2024		01/01/2024	
	Book value	Allowances	Book value	Allowances
<b>Short-term</b>	<b>9,526,583,029</b>	-	<b>8,677,990,678</b>	-
Advance (*)	4,595,090,767	-	5,037,642,767	-
Others	4,931,492,262	-	3,640,347,911	-
<b>Total</b>	<b>9,526,583,029</b>	-	<b>8,677,990,678</b>	-
<i>In which: Other receivables are related parties</i> (Detail in note No.7.1)	<i>4,879,492,262</i>		<i>3,640,347,911</i>	

(\*) In which, the balance of Nguyen Chi Dang's advance payment is VND 4,034,402,737 arising from December 31, 2016 that has not been refunded.

**5.5 Repayments to suppliers**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>2,031,973,531</b>	<b>2,020,973,531</b>
Sapa Thale Holding Joint Stock Company	900,000,000	900,000,000
Hoang Dung Investment, Production and Trading JSC	599,400,000	599,400,000
Construction No. 9 JSC	122,930,435	122,930,435
Phuoc Toan Private Enterprise	109,599,096	109,599,096
Others	300,044,000	289,044,000
<b>Total</b>	<b>2,031,973,531</b>	<b>2,020,973,531</b>

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area, lane  
2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

Form B 09 - DN  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.6 Short-term allowances for doubtful debts**

*Unit: VND*

	31/12/2024		01/01/2024	
	Historical cost	Recoverable value	Historical cost	Recoverable value
<i>Total value of receivables, overdue debts or no overdue doubtful debts</i>	79,246,767,358	-	79,246,767,358	-
Thuan Thanh Cong Gia Lai Co., Ltd	54,001,229,781	-	54,001,229,781	-
Hung Thinh An Investment and Trading Co., Ltd	20,079,000,000	-	20,079,000,000	-
Bich Hong Company Limited	3,090,492,400	-	3,090,492,400	-
Hoang Dung Production and Trading Investment JSC	599,400,000	-	599,400,000	-
Le Hoang Minh Co., Ltd	281,115,646	-	281,115,646	-
Phuoc Toan Private Enterprise	109,599,096	-	109,599,096	-
Ngoc Phuong Nam Business Household	63,000,000	-	63,000,000	-
Sapa Thale Holding JSC	900,000,000	-	900,000,000	-
Construction No. 9 JSC	122,930,435	-	122,930,435	-
<b>Total</b>	<b>79,246,767,358</b>	<b>-</b>	<b>79,246,767,358</b>	<b>-</b>

**5.7 Shortage of assets awaiting resolution**

	31/12/2024		01/01/2024	
	Quantity	Value (VND)	Quantity	Value (VND)
Fire protection system	1	682,642,000	1	682,642,000
<b>Total</b>		<b>682,642,000</b>		<b>682,642,000</b>

**5.8 Inventories**

*Unit: VND*

	31/12/2024		01/01/2024	
	Historical Cost	Allowances	Historical Cost	Allowances
Raw materials	942,091,261	(942,091,261)	942,091,261	(942,091,261)
Tools and supplies	23,000,000	-	23,000,000	-
Finished goods	8,565,242	(8,565,242)	8,565,242	(8,565,242)
Goods	826,149,878	(826,149,878)	826,149,878	(826,149,878)
<b>Total</b>	<b>1,799,806,381</b>	<b>(1,776,806,381)</b>	<b>1,799,806,381</b>	<b>(1,776,806,381)</b>

The value of inventory according to the actual inventory as of December 31, 2024 is 23,000,000 VND, the value of inventory not included in the inventory as of December 31, 2024 is 1,776,806,381 VND. The Company has not determined the reason for the above inventory shortage.

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area, lane  
2 Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

Form B 09 - DN

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.9 Long-term assets in progress**

	31/12/2024	01/01/2024
	VND	VND
Pepper production line	4,461,722,727	4,461,722,727
<b>Total</b>	<b>4,461,722,727</b>	<b>4,461,722,727</b>

**5.10 Prepaid expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>Long-term</b>	<b>9,464,693,900</b>	<b>9,865,896,865</b>
Land rent (*)	9,260,342,396	9,516,227,697
Cost of repairing fire pump system lot D2,5,1	163,601,504	272,669,168
Other prepaid expenses	40,750,000	77,000,000
<b>Total</b>	<b>9,464,693,900</b>	<b>9,865,896,865</b>

(\*) Including 2 land plots: Land plot Lot 1.5.2 Nhon Hoa Industrial Park, An Nhon town, Binh Dinh province, area 19,968 m<sup>2</sup>, usage period until July 17, 2059 and land plot Lot 2.5.1 Nhon Hoa Industrial Park, An Nhon town, Binh Dinh province, area 15,505.34 m<sup>2</sup>, usage period until July 17, 2059.

**5.11 Intangible fixed assets**

*Unit: VND*

	Land use rights	Total
<b>HISTORICAL COST</b>		
As at 01/01/2024	7,148,000,000	7,148,000,000
As at 31/12/2024	7,148,000,000	7,148,000,000
<b>ACCUMULATED AMORTISATION</b>		
As at 01/01/2024	-	-
As at 31/12/2024	-	-
<b>NET BOOK VALUE</b>		
As at 01/01/2024	7,148,000,000	7,148,000,000
As at 31/12/2024	7,148,000,000	7,148,000,000

Net book value of intangible fixed assets used as collateral to secure loans to Mr. Pham Anh Tuan as at December 31, 2024: VND 7,148,000,000 (as at December 31, 2023: VND 7,148,000,000).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.12 Tangible fixed assets

*Unit: VND*

	Buildings and Structures	Machinery, equipment	Motor vehicles	Office equipment	Others	Total
<b>HISTORICAL COST</b>						
As at 01/01/2024	98,548,988,591	7,602,169,934	3,746,829,814	116,320,000	2,883,489,046	112,897,797,385
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
As at 31/12/2024	98,548,988,591	7,602,169,934	3,746,829,814	116,320,000	2,883,489,046	112,897,797,385
<b>ACCUMULATED DEPRECIATION</b>						
As at 01/01/2024	24,629,242,143	3,517,859,027	2,400,794,332	116,320,000	1,906,306,696	32,570,522,198
Increase	4,242,256,548	514,859,451	300,522,516	-	192,232,608	5,249,871,123
Depreciation	4,242,256,548	514,859,451	300,522,516	-	192,232,608	5,249,871,123
Decrease	-	-	-	-	-	-
As at 31/12/2024	28,871,498,691	4,032,718,478	2,701,316,848	116,320,000	2,098,539,304	37,820,393,321
<b>NET BOOK VALUE</b>						
As at 01/01/2024	73,919,746,448	4,084,310,907	1,346,035,482	-	977,182,350	80,327,275,187
As at 31/12/2024	69,677,489,900	3,569,451,456	1,045,512,966	-	784,949,742	75,077,404,064

Net book value of tangible fixed assets used to secure loans as at 31/12/2024 is 73,762,857,610 VND (as at 31/12/2023: VND 78,494,115,780).

Historical cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2024 is 1,417,288,830 VND (as at 31/12/2023: VND 1,375,061,971).



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.13 Trade payables

Unit: VND

	31/12/2024		01/01/2024	
	Book value	Repayable amount	Book value	Repayable amount
<b>Short-term</b>	<b>14,048,391,649</b>	<b>14,048,391,649</b>	<b>15,417,479,478</b>	<b>15,417,479,478</b>
Nhon Hoa Industrial Park Infrastructure Investment JSC	3,158,387,877	3,158,387,877	4,011,975,706	4,011,975,706
General Construction, Trade and Import-Export JSC	1,701,200,000	1,701,200,000	2,151,200,000	2,151,200,000
Minh Thuan Construction Mechanical One Member Co., Ltd	2,118,705,600	2,118,705,600	2,118,705,600	2,118,705,600
Quang Trung Mechanical and Construction JSC	1,823,809,250	1,823,809,250	1,823,809,250	1,823,809,250
Ngo Dang Tuan	1,320,000,000	1,320,000,000	1,320,000,000	1,320,000,000
Others	3,926,288,922	3,926,288,922	3,991,788,922	3,991,788,922
<b>Total</b>	<b>14,048,391,649</b>	<b>14,048,391,649</b>	<b>15,417,479,478</b>	<b>15,417,479,478</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.14 Borrowings**

*Unit: VND*

	Movement during the year				Amount within repayment capacity
	31/12/2024	Increase	Decrease	Carrying value	
<b>Short-term borrowings</b>					
Pham Anh Tuan (i)	84,091,754,670	-	1,707,000,000	85,798,754,670	85,798,754,670
Nguyen Thi Huyen	83,861,754,670	-	1,707,000,000	85,568,754,670	85,568,754,670
Tang Tuan Cuong	20,000,000	-	-	20,000,000	20,000,000
Bui Thuy Anh	200,000,000	-	-	200,000,000	200,000,000
	10,000,000	-	-	10,000,000	10,000,000
<b>Long-term borrowings</b>					
Duong Quang Lu (ii)	13,333,520,048	-	570,000,000	13,903,520,048	13,903,520,048
	13,333,520,048	-	570,000,000	13,903,520,048	13,903,520,048
<b>Total</b>	<b>97,425,274,718</b>	<b>-</b>	<b>2,277,000,000</b>	<b>99,702,274,718</b>	<b>99,702,274,718</b>
<i>In which: Borrowings from related parties</i>	<i>13,333,520,048</i>	<i>-</i>	<i>570,000,000</i>	<i>13,903,520,048</i>	<i>13,903,520,048</i>

*(Detail in note No. 7.1)*

(i) Loan contract with collateral has interest rate for each debt receipt, loan term until April 4, 2018.

(ii) Loan contract No. 26.04/DHVVCN/HKB-DL/2021 dated April 26, 2021 of Mr. Duong Quang Lu.

HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2  
Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

Form B 09 - DN

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.15 Prepayments from customers

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>5,696,009,191</b>	<b>5,610,412,260</b>
Jameel International	1,209,778,431	1,209,778,431
Saud Sroor Jaber Business Eagent Kuwait	511,018,469	511,018,469
M/S, Karm Allouz Trading Est	467,014,395	467,014,395
Maac International	348,516,810	348,516,810
Diamond Food Industry Co	332,777,115	332,777,115
Trung Nhan Service and Trading Company Limited	656,538,896	658,941,965
BLEU SOLEI JSC	531,000,000	531,000,000
SKYLAR2 Construction Company Limited	346,000,000	346,000,000
SKYLAR3 Trading Company Limited	346,000,000	346,000,000
Others	947,365,075	859,365,075
<b>Total</b>	<b>5,696,009,191</b>	<b>5,610,412,260</b>

5.16 Accrued expenses

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>56,068,860,393</b>	<b>45,442,596,269</b>
Accrued interest payables	56,068,860,393	45,442,596,269
<b>Total</b>	<b>56,068,860,393</b>	<b>45,442,596,269</b>

5.17 Taxes and payables to the State Treasury

Unit: VND

	01/01/2024	Additions	Paid	31/12/2024
<b>Payables</b>	<b>51,451,816</b>	<b>550,255,124</b>	<b>551,271,842</b>	<b>50,435,098</b>
Value Added Tax	51,451,816	515,194,742	521,211,455	45,435,103
Personal Income Tax	-	23,757,570	18,757,575	4,999,995
Other taxes	-	11,302,812	11,302,812	-

HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2  
Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

Form B 09 - DN

Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18 Other payables

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>185,301,479</b>	<b>207,247,079</b>
Social insurance	122,583,960	140,071,860
Health insurance	21,581,892	24,667,992
Unemployment insurance	9,581,905	10,953,505
Others	31,553,722	31,553,722
<b>Total</b>	<b>185,301,479</b>	<b>207,247,079</b>

5.19 Owners' equity

a. Changes of owners' equity

*Unit: VND*

	Share capital	Development and Investment Fund	Retained earnings	Total
As at 01/01/2023	515,999,990,000	15,516,904,967	(113,723,695,236)	417,793,199,731
Decrease	-	-	(11,962,484,467)	(11,962,484,467)
Loss in the previous year	-	-	(11,962,484,467)	(11,962,484,467)
As at 31/12/2023	515,999,990,000	15,516,904,967	(125,686,179,703)	405,830,715,264
As at 01/01/2024	515,999,990,000	15,516,904,967	(125,686,179,703)	405,830,715,264
Decrease	-	-	(12,710,565,255)	(12,710,565,255)
Loss in this year	-	-	(12,710,565,255)	(12,710,565,255)
As at 31/12/2024	515,999,990,000	15,516,904,967	(138,396,744,958)	393,120,150,009

b. Details of owners' equity

	31/12/2024	01/01/2024
	VND	VND
Duong Quang Lu	95,460,000,000	95,460,000,000
Others	420,539,990,000	420,539,990,000
<b>Total</b>	<b>515,999,990,000</b>	<b>515,999,990,000</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**5.19 Owners' equity (Continued)**

**c. Capital transactions with shareholders and appropriation of profits and dividends**

	Year 2024 VND	Year 2023 VND
<b>Shareholders' capital</b>		
Opening balance	515,999,990,000	515,999,990,000
Increased during the year	-	-
Decreased during the year	-	-
Closing balance	515,999,990,000	515,999,990,000
<b>Dividend, Profit distribution</b>	-	-

**d. Shares**

	31/12/2024 Shares	01/01/2024 Shares
<b>Quantity of registered shares</b>	51,599,999	51,599,999
<b>Quantity of issued shares</b>	51,599,999	51,599,999
Common shares	51,599,999	51,599,999
<b>Outstanding shares</b>	51,599,999	51,599,999
Common shares	51,599,999	51,599,999
<i>Par value of outstanding shares (VND/ share)</i>	10,000	10,000

**6. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE INCOME STATEMENT**

**6.1 Revenue from sales of goods and provision of services**

	Year 2024 VND	Year 2023 VND
Revenues from services rendered	5,970,103,950	6,207,896,340
<b>Total</b>	<b>5,970,103,950</b>	<b>6,207,896,340</b>

**6.2 Cost of goods sold**

	Year 2024 VND	Year 2023 VND
Cost of services rendered	3,824,351,253	2,377,295,514
<b>Total</b>	<b>3,824,351,253</b>	<b>2,377,295,514</b>

**6.3 Financial income**

	Year 2024 VND	Year 2023 VND
Interest income from deposits and loans	926,621	1,171,160
Unrealized foreign exchange gains	531,056	458,637
<b>Total</b>	<b>1,457,677</b>	<b>1,629,797</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**6.4 Financial expenses**

	Year 2024 VND	Year 2023 VND
Interest expense	10,626,264,124	10,725,805,707
<b>Total</b>	<b>10,626,264,124</b>	<b>10,725,805,707</b>

**6.5 General and administrative expenses**

	Year 2024 VND	Year 2023 VND
<b>General and administration expenses</b>	<b>4,087,296,105</b>	<b>4,881,936,854</b>
Labor expenses	1,223,355,300	1,154,173,500
Office supplies expenses	707,431,612	1,237,343,744
Depreciation expenses	1,813,705,057	1,813,705,057
Taxes, fees and charges	25,969,476	6,000,000
Outsourcing expenses	104,462,802	524,296,319
Other expenses in cash	212,371,858	146,418,234
<b>Total</b>	<b>4,087,296,105</b>	<b>4,881,936,854</b>

**6.6 Other income/ Other expenses**

	Year 2024 VND	Year 2023 VND
<b>Other income</b>		
Others	400,000	45
<b>Total</b>	<b>400,000</b>	<b>45</b>
<b>Other expenses</b>		
Penalties	17,837,075	-
Others	126,778,325	186,972,574
<b>Total</b>	<b>144,615,400</b>	<b>186,972,574</b>
<b>Other income/other expenses (net)</b>	<b>(144,215,400)</b>	<b>(186,972,529)</b>

**6.7 Current corporate income tax expense**

	Year 2024 VND	Year 2023 VND
<b>Total accounting profit before tax</b>	<b>(12,710,565,255)</b>	<b>(11,962,484,467)</b>
Non-deductible expenses	144,615,400	186,972,574
Taxable income	-	-
Corporate Income Tax rate	20%	20%
Current corporate income tax expense	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2  
Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

Form B 09 - DN  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6.8 Production and business expenses by factors

	Year 2024 VND	Year 2023 VND
Employee expenses	1,223,355,300	1,154,173,500
Depreciation expenses	5,249,871,123	4,117,020,524
Outsourcing expenses	104,462,802	524,296,319
Other expenses	945,772,946	1,389,761,978
<b>Total</b>	<b>7,523,462,171</b>	<b>7,185,252,321</b>

7. OTHER INFORMATION

7.1 Information of related parties

<i>Related parties</i>	<i>Relationship</i>
Hung Loc Phat Gia Lai Agricultural Joint Stock Company	Subsidiary
Lumex Vietnam Agricultural Joint Stock Company	Subsidiary
Tan Hung Trading - Import Export Joint Stock Company	Indirectly owned subsidiary
Members of the Board of Management, Board of Supervisors, Board of General Directors, other managers and close individuals in the families of these members	Significant impact

During the year, the Company had the following transactions with related parties:

a. Remuneration for Boards of Management, Supervisors and General Directors

Related parties	Relationship	Transaction nature	Year 2024 VND	Year 2023 VND
Board of Directors, Board of Supervisors		Remuneration, Salary	-	-
Board of Directors		Salary	437,265,814	376,229,919
Duong Quang Lu	General Director		145,295,252	140,853,073
Truong Danh Hung	Deputy General Director		291,970,562	235,376,846
<b>Total</b>			<b>437,265,814</b>	<b>376,229,919</b>

b. Transactions with related parties

Related parties	Relationship	Transaction nature	Year 2024 VND	Year 2023 VND
Loan			-	14,158,520,048
Duong Quang Lu	Chairman of the Board	Loan	-	14,158,520,048
Loan repayment			570,000,000	255,000,000
Duong Quang Lu	Chairman of the Board	Loan repayment	570,000,000	255,000,000
Other payables			-	370,000,000
Duong Quang Lu	Chairman of the Board	Paid other payables	-	370,000,000

**HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY**

No. 08, Lot TT-03, Hai Dang City urban area, lane 2  
Ham Nghi street, My Dinh 2 ward, Nam Tu Liem  
district, Hanoi, Vietnam

**Form B 09 - DN**  
Issued under Circular 200/2014/TT-BTC dated  
22/12/2014 of the Ministry of Finance

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2024

**7.1 Information of related parties (Continued)**

**c. Related Party Balance**

Related parties	Relationship	Transaction nature	31/12/2024 VND	01/01/2024 VND
<b>Trade receivables</b>			<b>470,016,100</b>	<b>470,016,100</b>
Hung Loc Phat Gia Lai Agricultural Joint Stock Company	Subsidiary	Trade receivables	470,016,100	470,016,100
<b>Other short-term receivables</b>			<b>4,879,492,262</b>	<b>3,640,347,911</b>
Hung Loc Phat Gia Lai Agricultural Joint Stock Company	Subsidiary	Other receivables	90,702,000	86,426,000
Tan Hung Trading - Import Export Joint Stock Company	Subsidiary	Other receivables	4,763,444,336	3,531,575,985
Lumex Vietnam Agricultural Joint Stock Company	Subsidiary	Other receivables	25,345,926	22,345,926
<b>Loans</b>			<b>13,333,520,048</b>	<b>13,903,520,048</b>
Duong Quang Lu	Chairman of the Board	Loans	13,333,520,048	13,903,520,048

**7.2 Comparative figures**

Comparative information is taken from the separate financial statements for the year ended 31 December 2023, which are audited by CPA VIETNAM Auditing Company Limited – A Member of INPACT.

Preparer

Chief Accountant

Hanoi, March 24, 2025

Chairman of Board of  
Management & General Director

*Dinh Thi Dain*  
Dinh Thi Dain

*Le Van Quang*  
Le Van Quang

*Duong Quang Lu*  
Duong Quang Lu

