

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

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

CONTENTS	Page(s)
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	2 - 3
INDEPENDENT AUDITORS' REPORT	4 - 5
AUDITED CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheet	6 - 7
Consolidated Income Statement	8
Consolidated Cash flow Statement	9
Notes to the consolidated Financial Statements	10 - 34



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 consolidated 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

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 consolidated financial statements for the year ended December 31, 2024.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)

AUDITORS

The Company's consolidated 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 consolidated 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 consolidated financial statements. In preparing these consolidated 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 consolidated financial statements;
- Design and effectively implement the internal control system in order to ensure that the preparation and presentation of the consolidated financial statements are free from material misstatements due to frauds or errors;
- Prepare the consolidated 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 consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the consolidated 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 consolidated 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

Head Office in Hanoi:

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

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No: 120/2025/BCKTHN-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 consolidated financial statements of Hanoi - Kinhbac Agriculture And Food Joint Stock Company prepared on March 24, 2025, from page 06 to page 34, including the Consolidated Balance Sheet as at December 31, 2024, and the Consolidated Income Statement, and Consolidated Cash flows Statement for the year then ended, and Notes to the Consolidated financial statements.

The Board of General Directors' responsibility

The Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparing and Consolidated financial statements and for such internal control as the Board of Director determine is necessary to enable the preparation of 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 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 Section 4 of the Consolidated Financial Statements, the Company's goodwill originated in 2016 from transactions involving its two subsidiaries: Lumex Vietnam Agricultural Joint Stock Company utilized its entire charter capital of VND 410 billion to purchase 3,416,666 shares, while Hung Loc Phat Gia Lai Agricultural Joint Stock Company used its entire charter capital of VND 90 billion to purchase 750,000 shares from existing shareholders of Tan Hung Trading - Import Export Joint Stock Company ("Tan Hung") at a purchase price of VND 120,000 per share (par value of VND 10,000 per share). The transaction price of VND 120,000 per share was determined based on Valuation Certificate No. 246/2016/CTTĐG-CIMEICO issued by Cimeico Valuation Company Limited. We have performed audit procedures but were unable to obtain sufficient appropriate audit evidence regarding the existence, accuracy, and completeness of the goodwill balance, which amounted to VND 86,558,544,288 as of December 31, 2024 (VND 131,719,523,916 as of December 31, 2023). Accordingly, we are unable to express an opinion on this goodwill balance as of December 31, 2024, or its impact on the consolidated financial statements for the year ended December 31, 2024.

As stated in Note 5.5 of the Consolidated Financial Statements, as of December 31, 2024, the outstanding advance balance of Mr. Pham Thanh Binh (former General Director of Tan Hung Trading - Import Export Joint Stock Company) amounted to VND 47,584,000,000, and the advance balance of Mr. Nguyen Chi Dang amounted to VND 4,034,402,737, both originating from 2016. We have not obtained confirmation letters from these individuals as of December 31, 2024. Additionally, we have performed alternative audit procedures but were still unable to obtain sufficient appropriate audit evidence regarding the existence, accuracy, completeness, and recoverability of these advances as of December 31, 2024. Accordingly, we are unable to express an opinion on these advances as of December 31, 2024, or their impact on the consolidated financial statements for the year ended December 31, 2024.

As stated in Note 5.8 of the Consolidated Financial Statements, the cumulative discrepancy between the recorded cost of inventories and the actual physical count as of December 31, 2024, amounted to VND 1,776,806,381 (the same amount as of December 31, 2023). The Company has not determined the cause of the inventory shortage and has not made appropriate adjustments to the recorded inventory value. We were unable to obtain sufficient appropriate audit evidence; therefore, we do not have a basis to express an opinion on the accuracy of the missing inventory value or its impact on other items presented in the consolidated financial statements for the year ended December 31, 2024.

As stated in Section 4 of the Notes to the Consolidated Financial Statements, as of December 31, 2024, the Company's current liabilities exceeded its current assets by VND 110,476,023,478, including overdue liabilities of VND 83,861,754,670. For the financial year then ended, the Company incurred a consolidated net loss of VND 58,994,592,535 and had an accumulated loss of VND 444,707,364,892 as of December 31, 2024. These factors raise substantial 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 collection of receivables and financial support from shareholders and creditors. We were unable to obtain sufficient appropriate audit evidence regarding these plans. Accordingly, we are unable to determine whether the accompanying consolidated financial statements, which have been prepared on a going concern basis, 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 consolidated 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.



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
Hanoi, March 24, 2025

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

HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2
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district, Hanoi, Vietnam

Form B 01 - DN HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

ASSETS	Code	Note	31/12/2024	01/01/2024
			VND	VND
A - CURRENT ASSETS (100 = 110+130+140+150)	100		56,424,051,404	57,647,205,815
I. Cash and cash equivalents	110	5.1	208,506,049	955,956,276
1. Cash	111		208,506,049	955,956,276
II. Short-term receivables	130		53,507,407,588	53,994,381,789
1. Short-term receivables from customers	131	5.3	78,634,561,492	78,761,008,596
2. Prepayments to suppliers in short-term	132	5.4	2,187,224,449	2,176,224,449
3. Other short-term receivables	136	5.5	52,369,470,670	52,740,997,767
4. Short-term allowances for doubtful debts	137	5.6	(80,366,491,023)	(80,366,491,023)
5. Shortage of assets awaiting resolution	139	5.7	682,642,000	682,642,000
III. Inventories	140		23,000,000	23,000,000
1. Inventories	141	5.8	1,799,806,381	1,799,806,381
2. Allowances for devaluation of inventories	149		(1,776,806,381)	(1,776,806,381)
IV. Other current assets	150		2,685,137,767	2,673,867,750
1. Deductible value added tax	152		2,683,268,250	2,671,998,233
2. Taxes and other receivables from government budget	153	5.9	1,869,517	1,869,517
B - NON-CURRENT ASSETS (200 = 220+240+250+260+269)	200		212,322,631,105	262,891,334,816
I. Fixed assets	220		82,940,204,190	88,200,998,037
1. Tangible fixed assets	221	5.10	75,099,340,555	80,360,134,402
- Historical costs	222		112,963,333,749	112,963,333,749
- Accumulated depreciation	223		(37,863,993,194)	(32,603,199,347)
2. Intangible fixed assets	227	5.11	7,840,863,635	7,840,863,635
- Historical costs	228		7,840,863,635	7,840,863,635
- Accumulated amortization	229		-	-
II. Long-term assets in progress	240	5.12	5,359,188,727	5,096,813,727
1. Long-term work in progress	241		897,466,000	635,091,000
2. Construction in progress	242		4,461,722,727	4,461,722,727
III. Long-term investments	250	5.2	28,000,000,000	28,000,000,000
1. Investments in equity of other entities	253		28,000,000,000	28,000,000,000
IV. Other long-term assets	260		9,464,693,900	9,873,999,136
1. Long-term prepaid expenses	261	5.13	9,464,693,900	9,873,999,136
V. Goodwill	269		86,558,544,288	131,719,523,916
TOTAL ASSETS (270 = 100+200)	270		268,746,682,509	320,538,540,631

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024	01/01/2024
			VND	VND
C- LIABILITIES	300		181,243,594,930	174,040,860,517
(300 = 310+330)				
I. Short-term liabilities	310		166,900,074,882	159,127,340,469
1. Short-term trade payables	311	5.14	15,396,189,168	16,765,276,997
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	5.9	207,687,948	102,306,816
4. Payables to employees	314		4,933,691,692	4,880,166,037
5. Short-term accrued expenses	315	5.16	56,068,860,393	45,442,596,269
6. Other short-term payments	319	5.17	328,676,820	350,622,420
7. Short-term borrowings	320	5.18	84,091,754,670	85,798,754,670
8. Bonus and welfare fund	322		177,205,000	177,205,000
II. Long-term liabilities	330		14,343,520,048	14,913,520,048
1. Long-term borrowings	338	5.18	14,343,520,048	14,913,520,048
D- OWNERS' EQUITY	400		87,503,087,579	146,497,680,114
(400 = 410)				
I. Owners' equity	410	5.19	87,503,087,579	146,497,680,114
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		(444,707,364,892)	(386,027,575,046)
- Undistributed profit after tax brought forward	421a		(386,027,575,046)	(328,060,083,460)
- Undistributed profit after tax for the current year	421b		(58,679,789,846)	(57,967,491,586)
4. Non-controlling interest	429		693,557,504	1,008,360,193
TOTAL RESOURCES	440		268,746,682,509	320,538,540,631
(440 = 300+400)				

Preparer

Trinh Thi Dien
Trinh Thi Dien

Chief Accountant

Le Van Quang
Le Van Quang

Hanoi, March 24, 2025
Chairman of Board of
Management & General Director

Duong Quang Lu
Duong Quang Lu



HANOI - KINH BAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

No. 08, Lot TT-03, Hai Dang City urban area, lane 2
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Form B 02 - DN/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

CONSOLIDATED 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. Share of profit or loss of joint ventures and associates	24		-	-
9. Selling expenses	25		-	-
10. General administration expenses	26	6.5	50,370,275,506	51,215,621,934
11. Net profits from operating activities {30 = 20+(21-22)+24-(25+26)}	30		(58,849,329,256)	(58,109,197,018)
12. Other income	31		400,000	45
13. Other expenses	32		145,663,279	187,972,574
14. Other profits (40 = 31-32)	40	6.6	(145,263,279)	(187,972,529)
15. Total net profit before tax (50 = 30+40+45)	50		(58,994,592,535)	(58,297,169,547)
16. Current corporate income tax expenses	51	6.7	-	-
17. Profits after enterprise income tax (60 = 50-51-52)	60		(58,994,592,535)	(58,297,169,547)
18. Net profit after tax attributable to the parent company	61		(58,679,789,846)	(57,967,491,586)
19. Net profit after tax attributable to non-controlling interest	62		(314,802,689)	(329,677,961)
20. Basic earnings per share	70	6.8	(1,137)	(1,123)

Preparer

Chief Accountant

Hanoi, March 24, 2025
Chairman of Board of
Management & General Director

Duyz
Binh Thi Dien

Le Van Quang
Le Van Quang

Duong Quang Lu
Duong Quang Lu

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the year ended 31 December 2024

ASSETS	Code Note	Year 2024	Year 2023
		VND	VND
I. Cash flows from operating activities			
1. Profit before tax	01	(58,994,592,535)	(58,297,169,547)
2. Adjustments for			
- Depreciation of fixed assets and investment properties	02	5,260,793,847	4,127,943,248
- 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	45,160,053,007	45,159,808,468
- Interest expenses	06	10,626,264,124	10,725,805,707
3. Operating profit before changes in working capital	08	2,051,987,387	1,715,929,239
- Increase (decrease) in receivables	09	475,704,184	(133,682,175)
- Increase (decrease) in inventories	10	(262,375,000)	(222,500,000)
- Increase (decrease) in payables	11	(1,146,529,711)	(1,141,207,869)
- Increase (decrease) in prepaid expenses	12	409,305,236	868,588,464
- Interest paid	14	-	(170,478,222)
Net cash flows from operating activities	20	1,528,092,096	916,649,437
II. Cash flows from investing activities			
1. Proceeds from interests, dividends and distributed profits	27	926,621	1,171,160
Net cash flows from investing activities	30	926,621	1,171,160
III. Cash flows from financial activities			
1. Repayment of principal	34	(2,277,000,000)	(255,000,000)
Net cash flows from financial activities	40	(2,277,000,000)	(255,000,000)
Net cash flows during the fiscal year (50 = 20+30+40)	50	(747,981,283)	662,820,597
Cash and cash equivalents at the beginning of the fiscal year	60	955,956,276	292,677,042
Effect of exchange rate fluctuations	61	531,056	458,637
Cash and cash equivalents at the end of the fiscal year (70 = 50+60+61)	70 5.1	208,506,049	955,956,276

Preparer

Chief Accountant

Hanoi, March 24, 2025
Chairman of Board of
Management & General Director






CÔNG TY
CỔ PHẦN
NÔNG NGHIỆP VÀ
THỰC PHẨM
HÀ NỘI - KINH BẮC
NAM TÚ LIÊM - TP. HÀ NỘI



Le Van Quang


Duong Quang Lu

HANOI - KINHBAC AGRICULTURE AND FOOD JOINT STOCK COMPANY

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NOTES TO THE CONSOLIDATED 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).

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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 total number of employees of the Parent Company and its subsidiaries as of December 31, 2024 is 14 people (as of December 31, 2023 is 14 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**

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Form B 09 - DN/HN
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NOTES TO THE CONSOLIDATED 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;
- Private wholesale; Wholesale of beverages; Wholesale of other materials and installation equipment in construction, details: Wholesale of bamboo, rattan, wood and processed wood, cement, bricks, tiles, stones, sand, gravel, construction glass, paint, varnish, tiles and sanitary equipment, hardware, materials and other installation equipment in construction; Other specialized wholesale not elsewhere classified, details: - Wholesale of chemical glue; - 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;
- Production of other foods 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; Mixing tea and additives; Production of extracts and preparations from tea or accompanying drinks; 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.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

1.3 Normal operating cycle

The Company's normal operating cycle is 12 months.

1.4 Statement on the comparability of information in the consolidated 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 Consolidated financial statements are comparable.

1.5 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
Directly owned subsidiaries						
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
Indirectly owned subsidiaries						
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
Affiliated units						
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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

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 consolidated 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 Consolidated Financial Statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation of the consolidated financial statements

The Company's consolidated financial statements are prepared in accordance with Circular 202/2014/TT-BTC dated December 22, 2014, issued by the Ministry of Finance, providing guidance on the methods for preparing and presenting consolidated financial statements, specifically:

The accompanying consolidated financial statements are presented in Vietnamese Dong (VND), on a historical cost basis, in accordance with Vietnamese Accounting Standards, the current Vietnamese Enterprise Accounting System, and relevant legal regulations on the preparation and presentation of consolidated financial statements.

The consolidated financial statements are prepared by consolidating the separate financial statements of the Company and the financial statements of its controlled entities (subsidiaries) as of December 31 each year. Control is achieved when the Company has the ability to govern the financial and operating policies of the investees to derive benefits from their activities. The accompanying consolidated financial statements are prepared for the financial year ended December 31, 2024.

The operating results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective acquisition date or until the date of disposal of the investment in the subsidiary.

Where necessary, the financial statements of subsidiaries are adjusted to ensure consistency in accounting policies applied by the Company and other subsidiaries.

All intercompany transactions and balances are eliminated in the consolidation of 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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation of the consolidated financial statements (Continued)

Non-controlling interests are presented as a separate item within equity in the consolidated balance sheet. Non-controlling interests include the value of non-controlling shareholders' interests at the initial business combination date and their share in changes in total equity since the business combination date. Losses incurred by a subsidiary are allocated to non-controlling interests in proportion to their ownership, even if such losses exceed the non-controlling interests' share in the subsidiary's net assets.

The consolidated financial statements for the financial year ended December 31, 2024, are prepared based on the financial statements for the financial year ended December 31, 2024, of the parent company, Hanoi – Kinh Bac Agriculture and Food Joint Stock Company, and its subsidiaries, including Hung Loc Phat Gia Lai Agricultural Joint Stock Company, Lumex Vietnam Agricultural Joint Stock Company, and Tan Hung Trading – Import-Export Joint Stock Company.

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

Going concern assumption

As of December 31, 2024, the Company's current liabilities exceeded its current assets by VND 110,476,023,478, including overdue liabilities of VND 83,861,754,670. For the financial year then ended, the Company incurred a net loss of VND 58,994,592,535. The accumulated loss as of December 31, 2024, amounted to VND 444,707,364,892. 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 m², 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 m², 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 consolidated financial statements on a going concern basis. The accompanying consolidated financial statements do not include any adjustments that may arise from the outcome of the above events.

Business combination

The assets, liabilities, and contingent liabilities of a subsidiary are measured at fair value on the acquisition date. Any excess of the purchase price over the total fair value of the acquired assets is recognized as goodwill. Any shortfall between the purchase price and the total fair value of the acquired assets is recognized in the income statement of the period in which the subsidiary acquisition occurs.

Non-controlling interests at the initial business combination date are determined based on the proportion of non-controlling shareholders in the total fair value of recognized assets, liabilities, and contingent liabilities.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting estimates

The preparation of the consolidated 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 consolidated 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 consolidated income statement.

Revaluation of foreign currency items at the time of preparing the consolidated 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 consolidated financial statements.

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

Other investments

Other investments are presented in the consolidated balance sheet at cost, net of any impairment provisions (if applicable).

Other investments are recorded at cost, including purchase price plus directly attributable acquisition costs. After the initial recognition, these investments are measured at cost less allowance for diminution in value of investments.

Allowance for loss of investments

Allowance for losses of investments in equity instruments of other entities is made when there is apparent evidence for impairment in value of the investments as at the balance sheet date.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The cost of inventories is determined in accordance with the weighted average method.

Net realizable value is determined as the estimated selling price less the estimated costs of completion and the marketing, selling, and distribution expenses incurred. Inventories are accounted for using the perpetual inventory system and valued using the weighted average method. Construction projects are valued using the specific identification method.

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 history 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>
	Years
Buildings, structures	15 - 50
Machinery and equipment	06 - 20
Motor vehicles	06 - 10
Office equipment	03 - 05
Others	03 - 15

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.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid expenses

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods.

The Company's long-term prepaid expenses include land lease payments and tools and equipment. These expenses are amortized using the straight-line method into operating costs.

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: Include trade-related payables arising from transactions for the purchase of goods, services, and assets between the Company and suppliers (independent entities, including payables between the Company and its joint ventures and associates).
- Other payables: Include non-trade payables that are not related to transactions for the purchase or supply of goods and services.

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.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Owners' equity

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

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue, or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Profit after corporate income tax is distributed to owners after appropriations to funds in accordance with the Company's Charter and legal regulations and upon approval by the General Meeting of Shareholders. Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

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:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) Determine the portion of work completed at the Consolidated Balance Sheet date; and
- (d) 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.

Cost of goods sold

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

Financial expenses

Finance expenses primarily reflect costs incurred during the year, including: Borrowing costs: Recognized monthly based on the loan amount, interest rate, and actual number of borrowing days.

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.

**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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current corporate income tax expense (Continued)

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.

Basic earnings per share

Basic earnings per share are calculated by dividing net profit (loss) after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Goodwill

Goodwill arising in the 2016 financial year resulted from transactions involving two subsidiaries: Lumex Vietnam Agricultural Joint Stock Company used its entire charter capital of VND 410 billion to purchase 3,416,666 shares, and Hung Loc Phat Gia Lai Agricultural Joint Stock Company used its entire charter capital of VND 90 billion to purchase 750,000 shares from existing shareholders of Tan Hung Import-Export Trading Joint Stock Company at a purchase price of VND 120,000 per share, with a par value of VND 10,000 per share. The transaction price of VND 120,000 per share was determined based on Valuation Certificate No. 246/2016/CTTĐG-CIMEICO issued by Cimeico Valuation Co., Ltd.

Goodwill is allocated to business operating expenses over a period of 10 years, starting from Quarter IV 2016. The remaining balance of goodwill as of December 31, 2024, is VND 86,558,544,288 (as of December 31, 2023, it was VND 131,719,523,916).

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 CONSOLIDATED BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	83,655,740	61,047,783
Cash at bank	124,850,309	894,908,493
Total	208,506,049	955,956,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.2 Financial investments

Investments in equity of other entities

Unit: VND

	31/12/2024			01/01/2024		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
Investments in other entities	28,000,000,000	(*)	-	28,000,000,000	(*)	-
Tan Cuong Agricultural Service Cooperative	28,000,000,000	-	-	28,000,000,000	-	-
Total	28,000,000,000	-	-	28,000,000,000	-	-

(*) 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.

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.3 Trade receivables

	31/12/2024	01/01/2024
	VND	VND
Short-term	78,634,561,492	78,761,008,596
Thuan Thanh Cong Gia Lai Company Limited	55,083,753,446	55,083,753,446
Hung Thinh An Investment and Trading Company Limited	20,079,000,000	20,079,000,000
Others	3,471,808,046	3,598,255,150
Total	78,634,561,492	78,761,008,596

5.4 Repayments to suppliers

	31/12/2024	01/01/2024
	VND	VND
Short-term	2,187,224,449	2,176,224,449
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
Dak Lak Agricultural and Forestry Planning, Survey and Design Company Limited	113,000,000	113,000,000
Others	342,294,918	331,294,918
Total	2,187,224,449	2,176,224,449

5.5 Other receivables

	31/12/2024		01/01/2024	
	Book value	Allowances	Book value	Allowances
Short-term	52,369,470,670	-	52,740,997,767	-
Advance (i)	52,266,615,670	-	52,690,142,767	-
Pham Thanh Binh	47,584,000,000	-	47,584,000,000	-
Nguyen Chi Dang	4,034,402,737	-	4,034,402,737	-
Others	648,212,933	-	1,071,740,030	-
Other receivables	102,855,000	-	50,855,000	-
Total	52,369,470,670	-	52,740,997,767	-

Unit: VND

- (i) Mr. Pham Thanh Binh (Former Director of Tan Hung Trading and Import-Export Joint Stock Company) advanced an amount of VND 47,584,000,000 since 2016 (accounting for 97.4% of the total assets of Tan Hung Trading and Import-Export Joint Stock Company). Mr. Nguyen Chi Dang (Director of Gia Lai Branch) advanced an amount of VND 4,034,402,737 since 2016.

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED 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>	80,366,491,023	-	80,366,491,023	-
Thuan Thanh Cong Gia Lai Co., Ltd	55,083,753,446	-	55,083,753,446	-
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	-
T&T Investment and Trade Service Development Co., Ltd	37,200,000	-	37,200,000	-
Sapa Thale Holding JSC	900,000,000	-	900,000,000	-
Construction No. 9 JSC	122,930,435	-	122,930,435	-
Total	80,366,491,023	-	80,366,491,023	-

5.7 Shortage of assets awaiting resolution

	31/12/2024		01/01/2024	
	Quantity	Value (VND)	Quantity	Value (VND)
HKB Quy Nhon fire protection system	1	682,642,000	1	682,642,000
Total		682,642,000		682,642,000

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

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	-
Real estate 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)
Total	1,799,806,381	(1,776,806,381)	1,799,806,381	(1,776,806,381)

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.

5.9 Taxes and receivables, payables to State Treasury

Unit: VND

	01/01/2024	Additions	Paid	31/12/2024
Payables	102,306,816	913,914,624	808,533,492	207,687,948
Value Added Tax	51,451,816	515,194,742	521,211,455	45,435,103
Personal Income Tax	50,855,000	23,757,570	18,757,575	55,854,995
Land tax, Land rental charges	-	354,659,500	248,261,650	106,397,850
Other taxes	-	20,302,812	20,302,812	-
	01/01/2024	Receivables	Amount collected	31/12/2024
Receivables	1,869,517	-	-	1,869,517
Corporate income tax overpayment	1,869,517	-	-	1,869,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.10 Tangible fixed assets

Unit: VND

	Buildings and Structures	Machinery, equipment	Motor vehicles	Office equipment	Others	Total
HISTORICAL COST						
As at 01/01/2024	98,614,524,955	7,602,169,934	3,746,829,814	116,320,000	2,883,489,046	112,963,333,749
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
As at 31/12/2024	98,614,524,955	7,602,169,934	3,746,829,814	116,320,000	2,883,489,046	112,963,333,749
ACCUMULATED DEPRECIATION						
As at 01/01/2024	24,661,919,294	3,517,859,026	2,400,794,332	116,320,000	1,906,306,695	32,603,199,347
Increase	4,253,179,272	514,859,451	300,522,516	-	192,232,608	5,260,793,847
Depreciation	4,253,179,272	514,859,451	300,522,516	-	192,232,608	5,260,793,847
Decrease	-	-	-	-	-	-
As at 31/12/2024	28,915,098,566	4,032,718,477	2,701,316,848	116,320,000	2,098,539,303	37,863,993,194
NET BOOK VALUE						
As at 01/01/2024	73,952,605,661	4,084,310,908	1,346,035,482	-	977,182,351	80,360,134,402
As at 31/12/2024	69,699,426,389	3,569,451,457	1,045,512,966	-	784,949,743	75,099,340,555

Net book value of tangible fixed assets used to secure loans by Mr. Pham Anh Tuan as at 31/12/2024 is VND 73,762,857,610 (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 VND 1,417,288,830 (as at 31/12/2023: VND 1,375,061,971).



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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.11 Intangible fixed assets

Unit: VND

	<u>Land use rights</u>	<u>Total</u>
HISTORICAL COST		
As at 01/01/2024	7,840,863,635	7,840,863,635
As at 31/12/2024	<u>7,840,863,635</u>	<u>7,840,863,635</u>
ACCUMULATED AMORTISATION		
As at 01/01/2024	-	-
As at 31/12/2024	-	-
NET BOOK VALUE		
As at 01/01/2024	7,840,863,635	7,840,863,635
As at 31/12/2024	<u>7,840,863,635</u>	<u>7,840,863,635</u>

Net book value of intangible fixed assets used to secure loans as at 31/12/2024 is VND 7,148,000,000 (as at 31/12/2023: VND 7,148,000,000).

5.12 Long-term assets in progress

	<u>31/12/2024</u>	<u>01/01/2024</u>
	<u>VND</u>	<u>VND</u>
Pepper production line	4,461,722,727	4,461,722,727
Afforestation project	897,466,000	635,091,000
Total	<u>5,359,188,727</u>	<u>5,096,813,727</u>

5.13 Prepaid expenses

	<u>31/12/2024</u>	<u>01/01/2024</u>
	<u>VND</u>	<u>VND</u>
Long-term	9,464,693,900	9,873,999,136
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	85,102,271
Total	<u>9,464,693,900</u>	<u>9,873,999,136</u>

(*) Including 2 land plots: Land plot Lot 1.5.2 Nhon Hoa Industrial Park, An Nhon town, Binh Dinh province, area 19,968 m2, 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 m2, usage period until July 17, 2059.

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/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.14 Trade payables

	31/12/2024 (VND)		01/01/2024 (VND)	
	Book value	Repayable amount	Book value	Repayable amount
Short-term	15,396,189,168	15,396,189,168	16,765,276,997	16,765,276,997
Nhon Hoa Industrial Park Infrastructure 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	2,507,437,610	2,507,437,610	2,507,437,610	2,507,437,610
Ngo Dang Tuan	1,320,000,000	1,320,000,000	1,320,000,000	1,320,000,000
Others	4,590,458,081	4,590,458,081	4,655,958,081	4,655,958,081
Total	15,396,189,168	15,396,189,168	16,765,276,997	16,765,276,997

5.15 Prepayments from customers

	31/12/2024	01/01/2024
	VND	VND
Short-term	5,696,009,191	5,610,412,260
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
Total	5,696,009,191	5,610,412,260

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/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.16 Accrued expenses

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

5.17 Other payables

	31/12/2024	01/01/2024
	VND	VND
Short-term	328,676,820	350,622,420
Social insurance	204,302,766	221,790,666
Health insurance	35,362,242	38,448,342
Unemployment insurance	15,706,505	17,078,105
Other payables	73,305,307	73,305,307
Total	328,676,820	350,622,420

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.18 Borrowings

	31/12/2024 (VND)		Movement during the year		01/01/2024 (VND)	
	Carrying value	Amount within repayment capacity	Increase	Decrease	Carrying value	Amount within repayment capacity
Short-term borrowings	84,091,754,670	84,091,754,670	-	1,707,000,000	85,798,754,670	85,798,754,670
Pham Anh Tuan (i)	83,861,754,670	83,861,754,670	-	1,707,000,000	85,568,754,670	85,568,754,670
Nguyen Thi Huyen	20,000,000	20,000,000	-	-	20,000,000	20,000,000
Tang Tuan Cuong	200,000,000	200,000,000	-	-	200,000,000	200,000,000
Bui Thuy Anh	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Long-term borrowings	14,343,520,048	14,343,520,048	-	570,000,000	14,913,520,048	14,913,520,048
Duong Quang Lu (ii)	13,333,520,048	13,333,520,048	-	570,000,000	13,903,520,048	13,903,520,048
Dang Thi Thuy (iii)	1,000,000,000	1,000,000,000	-	-	1,000,000,000	1,000,000,000
Nguyen Thi Huyen	10,000,000	10,000,000	-	-	10,000,000	10,000,000
Total	98,435,274,718	98,435,274,718	-	2,277,000,000	100,712,274,718	100,712,274,718
<i>In which: Borrowings from related parties</i>	<i>13,333,520,048</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)

Information on borrowings:

- (i) Loan agreement cum asset security contract with an interest rate determined at each drawdown.
- (ii) Loan contract No. 26.04/DHVVCN/HKB-DL/2021 dated April 26, 2021 of Mr. Duong Quang Lu.
- (iii) Interest-free loan under contract for business capital supplementation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.19 Owners' equity

a. Changes of owners' equity

Unit: VND

	Share capital	Development and Investment Fund	Retained earnings	Non-controlling interest	Total
As at 01/01/2023	515,999,990,000	15,516,904,967	(328,060,083,460)	1,338,038,154	204,794,849,661
Decrease	-	-	(57,967,491,586)	(329,677,961)	(58,297,169,547)
Loss in the previous year	-	-	(57,967,491,586)	(329,677,961)	(58,297,169,547)
As at 31/12/2023	515,999,990,000	15,516,904,967	(386,027,575,046)	1,008,360,193	146,497,680,114
As at 01/01/2024	515,999,990,000	15,516,904,967	(386,027,575,046)	1,008,360,193	146,497,680,114
Decrease	-	-	(58,679,789,846)	(314,802,689)	(58,994,592,535)
Loss in this year	-	-	(58,679,789,846)	(314,802,689)	(58,994,592,535)
As at 31/12/2024	515,999,990,000	15,516,904,967	(444,707,364,892)	693,557,504	87,503,087,579

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/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5.19 Owners' equity (Continued)

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
Total	515,999,990,000	515,999,990,000

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

	Year 2024	Year 2023
	VND	VND
Shareholders' capital		
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
Dividend, Profit distribution	-	-

d. Shares

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

e. The Company's funds

	31/12/2024	01/01/2024
	VND	VND
Development and investment funds	15,516,904,967	15,516,904,967

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED 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
Total	5,970,103,950	6,207,896,340

6.2 Cost of goods sold

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

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
Total	1,457,677	1,629,797

6.4 Financial expenses

	Year 2024 VND	Year 2023 VND
Interest expense	10,626,264,124	10,725,805,707
Total	10,626,264,124	10,725,805,707

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6.5 General and administrative expenses

	Year 2024 VND	Year 2023 VND
General and administrative expenses	50,370,275,506	51,215,621,934
Labor expenses	1,720,455,300	1,676,673,500
Office supplies expenses	707,431,612	1,257,694,711
Depreciation expenses	1,824,627,781	1,824,627,781
Taxes, fees and charges	389,628,976	15,000,000
Allocated goodwills	45,160,979,628	45,160,979,628
Outsourcing expenses	345,518,080	733,044,512
Other expenses in cash	221,634,129	547,601,802
Total	50,370,275,506	51,215,621,934

6.6 Other income/ Other expenses

	Year 2024 VND	Year 2023 VND
Other income		
Others	400,000	45
Total	400,000	45
Other expenses		
Others	145,663,279	187,972,574
Total	145,663,279	187,972,574
Other income/other expenses (net)	(145,263,279)	(187,972,529)

6.7 Current corporate income tax expense

	Year 2024 VND	Year 2023 VND
Total net profit before tax	(58,994,592,535)	(58,297,169,547)
Increase adjustment	145,663,279	187,972,574
<i>Non-deductible expenses</i>	145,663,279	187,972,574
Taxable income	-	-
Corporate Income Tax rate	20%	20%
Current corporate income tax expense	-	-
Total	-	-

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/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6.8 Basic earnings per share

	Year 2024 VND	Year 2023 VND
Profit after corporate income tax (VND)	(58,994,592,535)	(58,297,169,547)
Profit or loss attributable to shareholders holding common shares of the Parent Company (VND)	(58,679,789,846)	(57,967,491,586)
Average quantity of outstanding common shares	51,599,999	51,599,999
Basic earnings per share (VND/ share)	(1,137)	(1,123)

6.9 Production and business expenses by factors

	Year 2024 VND	Year 2023 VND
Employee expenses	1,720,455,300	1,676,673,500
Depreciation expenses	5,260,793,847	4,127,943,248
Outsourcing expenses	345,518,080	733,044,512
Other cash expenses	46,479,674,345	46,981,276,141
Total	53,806,441,572	53,518,937,401

7. OTHER INFORMATION

7.1 Information of related parties

Related parties	Relationship
Tan Cuong Agricultural Service Cooperative	Other Investment
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
Total			437,265,814	376,229,919

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/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

7.1 Information of related parties (Continued)

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

c. Related Party Balance

Related parties	Relationship	Transaction nature	31/12/2024 VND	01/01/2024 VND
Loan			13,333,520,048	13,903,520,048
Duong Quang Lu	Chairman of the Board	Loan	13,333,520,048	13,903,520,048

7.2 Comparative figures

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

Preparer

T. Deep
Đình Thị Diem

Chief Accountant

Le Van Quang

Le Van Quang

Hanoi, March 24, 2025

Chairman of Board of
Management & General Director

Duong Quang Lu

