

Số: 103 /PP-TCKT
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Thành phố Hồ Chí Minh, ngày 31 tháng 03 năm 2025
Ho Chi Minh City, 31 March 2025

CÔNG BỐ THÔNG TIN ĐỊNH KỲ BÁO CÁO TÀI CHÍNH
REGULAR DISCLOSURE OF INFORMATION ON FINANCIAL REPORTS

Kính gửi: Sở Giao dịch Chứng khoán Hà Nội (HNX)
To: Hanoi Stock Exchange (HNX)

Thực hiện quy định tại khoản 3, khoản 4 Điều 14 Thông tư số 96/2020/TT- BTC ngày 16/11/2020 của Bộ Tài chính hướng dẫn công bố thông tin trên thị trường chứng khoán, **Tổng Công Ty Cổ phần Phong Phú** (MCK: PPH) thực hiện công bố thông tin báo cáo tài chính (BCTC) kiểm toán năm 2024 với Sở Giao dịch Chứng khoán Hà Nội như sau:

Complying with the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16th, 2020 of the Ministry of Finance guiding information disclosure on the stock market, Phong Phu Corporation (Stock code: PPH) would like to disclose the Audited Financial Statements in 2024 with Hanoi Stock Exchange as follows:

1. Tên tổ chức/ Name of Organization: TỔNG CÔNG TY CỔ PHẦN PHONG PHÚ/
Phong Phu Corporation

- Mã chứng khoán/ Stock code: PPH
- Địa chỉ/ Address: 48 Tầng Nhon Phú, Kp18, Phường Tăng Nhơn Phú B, Tp. Thủ Đức, Tp. HCM/ No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City, Vietnam.
- Điện thoại liên hệ/ Tel: 02822101693 Fax:
- Email:..... Website: www.phongphucorp.com

2. Nội dung thông tin công bố/ Content of information disclosure:

- BCTC kiểm toán năm 2024** theo quy định tại khoản 3 Điều 14 Thông tư số 96/2020/TT-BTC gồm/ Audited Financial Statements in 2024 in accordance with Clause 3, Article 14 of Circular No. 96/2020/TT-BTC, including:

☐ BCTC riêng (Tổ chức không có công ty con và đơn vị kế toán cấp trên có đơn vị trực thuộc)/ Separate Financial Statements (Listed organizations has no subsidiaries and superior accounting units have affiliated units);

☒ BCTC hợp nhất (Tổ chức có công ty con)/ Consolidated Financial Statements (Listed organizations have subsidiaries);

☐ BCTC tổng hợp (Tổ chức có đơn vị kế toán trực thuộc tổ chức bộ máy kế toán riêng)/ Combined Financial Statements (Listed organizations has an accounting units directly under its own accounting system).

- Các trường hợp thuộc diện phải giải trình nguyên nhân/ Cases in which the cause must be explained:**



+ Tổ chức kiểm toán đưa ra ý kiến không phải là ý kiến chấp nhận toàn phần đối với BCTC (đối với BCTC được kiểm toán năm) / *The auditing organization expresses an opinion that is not a fully accepted opinion for financial statements (for audited financial statements in 2024):*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có / *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế trong kỳ báo cáo có sự chênh lệch trước và sau kiểm toán từ 5% trở lên, chuyển từ lỗ sang lãi hoặc ngược lại (đối với BCTC được kiểm toán năm)/ *Profit after tax in the reporting period has a difference before and after the audit of 5% or more, converted from loss to profit or vice versa (for audited financial statements in 2024):*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế thu nhập doanh nghiệp tại Báo cáo kết quả kinh doanh của kỳ báo cáo có thay đổi từ 10% trở lên so với báo cáo cùng kỳ năm trước?/ *The profit after corporate income tax in the business performance statement of the reporting period changes by 10% or more compared to the same period of the previous year?*

☒ Có/ Yes

☐ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☒ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế trong kỳ báo cáo có bị lỗ, chuyển từ lãi ở báo cáo cùng kỳ năm trước sang lỗ ở kỳ này hoặc ngược lại? / *The profit after tax in the reporting period suffered a loss, converted from profit in the same period last year to a loss in this period or vice versa?*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

Thông tin này được công bố trên trang thông tin điện tử của Công ty vào ngày: 31/03/2025 tại đường dẫn/ *This information was published on the Company's website on 31 March 2025 at the link: <http://www.phongphucorp.com/shareholder/bao-cau-tai-chinh.html>.*

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung thông tin công bố./ *We hereby commit that the information published above is true and take full responsibility before the law for the content of the published information.*

Đại diện tổ chức/ Organization Representative

Người đại diện theo pháp luật/ *Legal Representative*

(Ký, ghi rõ họ tên, chức vụ, đóng dấu)

(Signature, full name, position, and company seal)

TỔNG GIÁM ĐỐC/ GENERAL DIRECTOR



DƯƠNG KHUÊ

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024**

PHONG PHU CORPORATION

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Phong Phu Corporation (hereinafter referred to as “the Corporation”) presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2024, including the Combined Financial Statements of the Corporation and the Financial Statements of the subsidiaries (hereinafter collectively referred to as “the Group”).

Business highlights

Phong Phu Corporation is a company formed by equitizing the former State-owned company in line with the Decision No. 06/2007/QĐ-BCN dated 11 January 2007 of the Minister of Industry (now is the Ministry of Industry and Trade). The Corporation has been operating under the Business Registration Certificate No. 0301446006, which was registered for the first time on 20 February 2009 and amended for the 19th time on 20 January 2025, granted by Ho Chi Minh City Department of Planning and Investment.

Head office

- Address : No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City
- Tel. : +84 (028) 3514 7340
- Fax : +84 (028) 3840 6790

The Corporation's affiliates:

Affiliates	Address
Branch of Phong Phu Corporation	No. 378 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City
Branch of Phong Phu Corporation in Nha Trang	Km1447, Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province
Branch of Phong Phu Corporation in Da Lat – Du Lys Hotel	No. 14 Nam Ky Khoi Nghia Street, Ward 1, Da Lat City, Lam Dong Province
Branch of Phong Phu Corporation in Ninh Thuan – Ninh Phu Fiber Factory	Hanh Tri Village, Quang Son Commune, Ninh Son District, Ninh Thuan Province
Branch of Phong Phu Corporation in Da Nang	No. 34 Ong Ich Duong Street, Hoa Tho Dong Ward, Cam Le District, Da Nang City

Principal business activities of the Corporation are:

- Manufacturing fibers, sewing thread, embroidery thread, woven cloth, towels, fabric, fibers, garments, readymade garments (excluding clothes, bleaching, dyeing, starching, printing and processing second-hand goods), packages (excluding scrap recycling, pulp production at the head office);
- Trading machines, spare parts used in garment and textile industries. Trading office equipment, electrical materials, machinery and equipment serving industrial production, checking and measuring system serving environmental experiment. Wholesaling electrical machinery and equipment, electrical materials (generators, electric motors, electric wires, equipment used in electronic boards). Wholesaling machinery and equipment, spare parts of agricultural machinery;
- Providing services of scientific researches and technology transfer;
- Breeding pigs (not at the head office);
- Afforesting and tending forest;
- Exploiting and processing forestal products;
- Executing, consulting, designing and installing civil-industrial and refrigerant electric system;
- Providing food and beverage services (not providing food and beverage service and games at the head office);
- Constructing infrastructures, industrial and urban parks, developing houses;
- Giving consulting and brokerage services in real estate;
- Kindergarten and primary education;
- Mechanical processing;
- Producing, distributing steam, hot water, air-conditioning;

PHONG PHU CORPORATION

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- Treating sewage;
- Providing interior decoration services;
- Providing advertising services;
- Retailing garments;
- Growing bulbs with starch content, sugar cane, tobacco including rustic tobacco, plants or crops in order to harvest thread or fiber, plants or crops with oil seeds or nuts containing oil, pepper, rubber, coffee, tea, bean of all types, ornamentals and flowers (not at the head office).

Board of Management and Executive Board

The Board of Management and the Executive Board of the Corporation during the year and as of the date of this statement include:

The Board of Management

Full name	Position	Appointing/Re-appointing/Resigning date
Mr. Tran Quang Nghi	Chairman	Re-appointed on 23 May 2024
Mr. Duong Khue	Member	Re-appointed on 16 May 2024
Mr. Pham Phu Chung	Member	Re-appointed on 16 May 2024
Ms. Pham Minh Huong	Member	Re-appointed on 16 May 2024
Ms. Bui Thi Thu	Member	Resigned on 16 May 2024
Ms. Truong Thi Ngoc Phuong	Member	Appointed on 16 May 2024

The Supervisory Board

Full name	Position	Appointing/Re-appointing/Resigning date
Ms. Nguyen Thi My Le	Head of the Board	Re-appointed on 23 May 2024
Ms. Vu Thi Thuy Duong	Member	Re-appointed on 16 May 2024
Ms. Tran Lien Huu	Member	Resigned on 16 May 2024
Mr. Le Hong Linh	Member	Appointed on 16 May 2024

The Executive Board

Full name	Position	Appointing/Re-appointing date
Mr. Duong Khue	General Director	Appointed on 06 October 2020
Ms. Le Thi Hoang Trang	Deputy General Director	Appointed on 15 July 2022
Mr. Pham Phu Chung	Deputy General Director	Appointed on 07 October 2022
Mr. Ly Anh Tai	Deputy General Director	Appointed on 07 October 2022
Mr. Nguyen Van Nhiem	Chief Executive Officer	Re-appointed on 01 June 2019
Mr. Doan Kien	Chief Executive Officer	Appointed on 01 April 2021
Ms. Truong Thi Ngoc Phuong	Chief Executive Officer	Appointed on 15 July 2022

Legal representative

The legal representative of the Corporation during the year and as of the date of this statement is Mr. Duong Khue – General Director (appointed on 06 October 2020).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2024.

Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Directors must:

PHONG PHU CORPORATION

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Consolidated Financial Statements.

The Board of Directors hereby ensures that all the proper accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Vietnamese Accounting System. The Board of Directors is also responsible for protecting the Group's assets, and consequently has taken appropriate measures to prevent and to detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

Approval of the Financial Statements

The Board of Directors of the Corporation hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position as of 31 December 2024 of the Group, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Directors,



Duong Khue
General Director

Date: 30 March 2025

No. 1.0848/25/TC-AC

INDEPENDENT AUDITOR'S REPORT**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS
PHONG PHU CORPORATION**

We have audited the accompanying Consolidated Financial Statements of Phong Phu Corporation (hereinafter referred to as "the Corporation") and its subsidiaries (hereinafter collectively called "the Group"), which were prepared on 29 March 2025 (from page 07 to page 55) including the Consolidated Balance Sheet as of 31 December 2024, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements; and responsible for such internal control as the Board of Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

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

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

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

Opinion of Auditors

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2024 of the Group, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

Emphasis of matter

Without qualifying our opinion above, we would like to draw the readers' attention to the followings:

- As presented at Note No. VIII.7 in the Notes to the Consolidated Financial Statements regarding the transfer of Residential Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City between Saigon Agriculture Incorporation and the Corporation. The Corporation accordingly appropriated provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined at the transfer date under the Judgment dated 18 December 2021 and the Appellate Judgments dated 08, 09 and 15 June 2022 of the People's Court of Ho Chi Minh City. Currently, the Corporation and Saigon Agriculture Incorporation are waiting for guidance on resolving civil issues (if any) arising from the cancellation of the project transfer contract between the involved parties in accordance with the applicable laws.
- The Corporation received the Notices of Ho Chi Minh City Tax Department and Ho Chi Minh City Department of Natural Resources and Environment regarding the determination of land leasing rate applicable to the period from 10 April 2017 to 31 December 2024 as well as the land areas and the land use purposes corresponding to each land area and location of land leased by the Corporation (see Note No. VIII.1). Currently, the Corporation has not received any official notices from Tax Department regarding the payments of land rental to the State Budget, these amounts accordingly have not been recognized in the Consolidated Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Hoang Thai Vuong
Partner

Audit Practice Registration Certificate No. 2129-2023-008-1
Authorized Signatory



Nguyen Thi Phuoc Tien
Auditor

Audit Practice Registration Certificate No. 1199-2023-008-1

Ho Chi Minh City, 30 March 2025

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		1.766.586.086.522	1.657.799.775.904
I. Cash and cash equivalents	110	V.1	123.279.779.901	74.073.059.413
1. Cash	111		72.679.779.901	67.797.035.859
2. Cash equivalents	112		50.600.000.000	6.276.023.554
II. Short-term financial investments	120		546.189.593.362	490.656.983.597
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	546.189.593.362	490.656.983.597
III. Short-term receivables	130		489.715.825.856	495.303.760.934
1. Short-term trade receivables	131	V.3	437.727.287.214	374.560.508.379
2. Short-term prepayments to suppliers	132	V.4	21.623.063.707	8.220.335.833
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5a	54.837.551.162	136.997.473.022
7. Allowance for short-term doubtful debts	137	V.6	(24.486.403.454)	(25.111.525.365)
8. Deficit assets for treatment	139		14.327.227	636.969.065
IV. Inventories	140		601.007.721.345	595.755.494.721
1. Inventories	141	V.7	607.962.909.452	605.029.837.217
2. Allowance for devaluation of inventories	149	V.7	(6.955.188.107)	(9.274.342.496)
V. Other current assets	150		6.393.166.058	2.010.477.239
1. Short-term prepaid expenses	151	V.8a	1.467.153.797	1.166.896.503
2. Deductible VAT	152		4.718.243.246	635.811.721
3. Taxes and other receivables from the State	153	V.17	207.769.015	207.769.015
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		1.812.465.966.813	1.880.979.683.897
I. Long-term receivables	210		3.940.070.645	1.948.001.131
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	3.940.070.645	1.948.001.131
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		1.054.372.239.697	1.139.015.542.078
1. Tangible fixed assets	221	V.9	942.578.952.394	1.045.043.899.121
- Historical cost	222		2.287.317.961.521	2.301.518.088.117
- Accumulated depreciation	223		(1.344.739.009.127)	(1.256.474.188.996)
2. Financial leased assets	224	V.10	111.684.730.902	93.851.024.744
- Historical cost	225		122.118.650.662	100.459.854.557
- Accumulated depreciation	226		(10.433.919.760)	(6.608.829.813)
3. Intangible fixed assets	227	V.11	108.556.401	120.618.213
- Initial cost	228		583.927.273	583.927.273
- Accumulated amortization	229		(475.370.872)	(463.309.060)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		6.882.372.470	1.703.961.819
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.12	6.882.372.470	1.703.961.819
V. Long-term financial investments	250		723.048.832.989	715.157.944.519
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2b	650.156.006.561	631.403.652.016
3. Investments in other entities	253	V.2c	105.929.737.637	105.929.737.637
4. Provisions for devaluation of long-term financial investments	254	V.2c	(33.036.911.209)	(22.175.445.134)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		24.222.451.012	23.154.234.350
1. Long-term prepaid expenses	261	V.8b	17.333.312.671	12.328.445.529
2. Deferred income tax assets	262	V.13	-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269	V.14	6.889.138.341	10.825.788.821
TOTAL ASSETS	270		3.579.052.053.335	3.538.779.459.801

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		1.695.033.301.995	1.805.267.530.477
I. Current liabilities	310		1.072.855.779.140	1.209.790.239.271
1. Short-term trade payables	311	V.15	264.768.227.637	262.271.396.369
2. Short-term advances from customers	312	V.16	138.987.307.686	137.439.253.933
3. Taxes and other obligations to the State Budget	313	V.17	5.121.241.541	153.081.698.222
4. Payables to employees	314	V.18	68.112.150.907	61.778.793.622
5. Short-term accrued expenses	315	V.19	10.383.298.588	8.423.087.802
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318	V.20a	4.029.941.115	3.440.009.981
9. Other short-term payables	319	V.21a,c	131.157.198.322	103.246.176.287
10. Short-term borrowings and financial leases	320	V.22a,c	374.262.338.235	402.583.798.387
11. Provisions for short-term payables	321	V.23	62.473.188.366	62.473.188.366
12. Bonus and welfare funds	322	V.24	13.560.886.743	15.052.836.302
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		622.177.522.855	595.477.291.206
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336	V.20b	20.497.647.770	24.487.076.071
7. Other long-term payables	337	V.21b,c	13.891.296.000	9.926.000.000
8. Long-term borrowings and financial leases	338	V.22b,c	587.788.579.085	561.064.215.135
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1.884.018.751.340	1.733.511.929.324
I. Owner's equity	410		1.884.018.751.340	1.733.511.929.324
1. Owner's capital	411	V.25	746.708.910.000	746.708.910.000
- Ordinary shares carrying voting rights	411a		746.708.910.000	746.708.910.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.25	32.368.276.001	32.368.276.001
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.25	512.396.290.709	471.023.935.263
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.25	554.897.813.293	453.080.475.331
- Retained earnings accumulated to the end of the previous period	421a		331.548.575.510	453.080.475.331
- Retained earnings of the current period	421b		223.349.237.783	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429	V.25	37.647.461.337	30.330.332.729
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		3.579.052.053.335	3.538.779.459.801


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief Accountant

Ho Chi Minh City, 29 March 2025

Duong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and provisions of services	01	VI.1	2.238.054.501.804	1.754.522.756.502
2. Revenue deductions	02	VI.2	5.377.071.122	5.141.359.865
3. Net revenue	10		2.232.677.430.682	1.749.381.396.637
4. Cost of sales	11	VI.3	1.803.527.972.601	1.401.637.434.862
5. Gross profit	20		429.149.458.081	347.743.961.775
6. Financial income	21	VI.4	48.549.589.677	43.283.518.454
7. Financial expenses	22	VI.5	103.476.344.756	87.735.875.529
In which: Loan interest expenses	23		54.671.580.549	59.352.205.703
8. Gain or loss in joint ventures, associates	24	V.2b	352.006.941.295	320.268.114.578
9. Selling expenses	25	VI.6	88.390.177.071	77.059.549.951
10. General and administration expenses	26	VI.7	258.205.156.184	221.824.872.170
11. Net operating profit	30		379.634.311.042	324.675.297.157
12. Other income	31	VI.8	8.896.409.854	124.867.296
13. Other expenses	32	VI.9	4.507.003.474	5.065.667.225
14. Other profit/(loss)	40		4.389.406.380	(4.940.799.929)
15. Total accounting profit before tax	50		384.023.717.422	319.734.497.228
16. Current income tax	51	V.17	3.482.742.573	2.991.362.446
17. Deferred income tax	52		-	-
18. Profit after tax	60		380.540.974.849	316.743.134.782
19. Profit after tax of the Parent Company	61		373.773.464.227	311.362.639.035
20. Profit after tax of non-controlling shareholders	62		6.767.510.622	5.380.495.747
21. Basic earnings per share	70	VI.10	4.507	3.865
22. Diluted earnings per share	71	VI.10	4.507	3.865


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Ho Chi Minh City, 29 March 2025

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		384.023.717.422	319.734.497.228
2. Adjustments				
- Depreciation/(Amortization) of fixed assets and investment properties	02	V.9, V.10, V.11, V.14	142.536.047.428	138.365.572.429
- Provisions and allowances	03	V.2c, V.6, V.7	7.917.189.774	1.845.909.599
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04	VI.5	22.263.262.240	16.843.485.309
- Gain/(loss) from investing activities	05	V.2b, VI.4, VI.8, VI.9	(389.500.584.275)	(352.240.488.747)
- Interest expenses	06	VI.5	54.671.580.549	59.352.205.703
- Others	07		-	-
3. Operating profit before changes of working capital	08		221.911.213.138	183.901.181.521
- Increase/(decrease) of receivables	09		7.020.214.001	(45.204.322.300)
- Increase/(decrease) of inventories	10		(2.933.072.235)	7.331.825.853
- Increase/(decrease) of payables	11		(108.272.346.371)	108.357.688.246
- Increase/(decrease) of prepaid expenses	12		(5.305.124.436)	1.793.143.538
- Increase/(decrease) of trading securities	13		-	-
- Interest paid	14	V.19, V.21a, V.22, VI.5, VII	(57.717.261.062)	(65.692.256.306)
- Corporate income tax paid	15	V.17	(3.874.434.936)	(2.539.266.395)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.24, V.25	(43.608.577.086)	(31.897.121.832)
Net cash flows from operating activities	20		7.220.611.013	156.050.872.325
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.10, V.12, V.22, VII	(63.330.341.320)	(62.870.816.506)
2. Proceeds from disposals of fixed assets and other non-current assets	22	V.9, VI.8,	5.811.673.494	9.618.307.947
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2a	(1.014.189.593.362)	(938.286.972.597)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2a	958.656.983.597	720.629.989.000
5. Investments in other entities	25	V.2b	(21.591.240.000)	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.2b, V.5a, VI.4, VII	391.171.737.227	460.865.516.582
Net cash flows from investing activities	30		256.529.219.636	189.956.024.426

PHONG PHU CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.22	1.036.972.956.926	749.222.852.583
4. Repayment for loan principal	34	V.22	(1.072.862.872.819)	(770.860.085.257)
5. Payments for financial leased assets	35	V.22	(22.518.654.105)	(66.992.823.059)
6. Dividends and profit paid to the owners	36	V.21, V.25	(157.974.609.475)	(255.713.371.765)
<i>Net cash flows from financing activities</i>	40		(216.383.179.473)	(344.343.427.498)
Net cash flows during the year	50		47.366.651.176	1.663.469.253
Beginning cash and cash equivalents	60	V.1	74.073.059.413	72.369.002.941
Effects of fluctuations in foreign exchange rates	61		1.840.069.312	40.587.219
Ending cash and cash equivalents	70	V.1	123.279.779.901	74.073.059.413



Tran Lan Anh
Preparer



Le Thi Tu Anh
Chief Accountant



Ho Chi Minh City, 29 March 2025

Duong Khue
General Director

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION

1. Investment form

Phong Phu Corporation (hereinafter referred to as “the Corporation” or “the Parent Company”) is a joint stock company.

2. Operating fields

The Corporation operates in different fields.

3. Principal business activities

The principal business activities of the Corporation are manufacturing and trading fibers, cloth, towels, sewing thread, embroidery thread, garments and fashion clothes (excluding bleaching, dyeing, starching and printing on the textile, sewed, knitted products, processing second-hand goods); trading chemicals and dye (excluding chemicals of high toxicity); trading machines, equipment, materials and spare parts serving textile – dyeing – garment industries; trading silk, thread, textile fibers and garments, etc.

4. Normal operating cycle

The normal operating cycle of the Corporation is within 12 months.

5. Structure of the Group

The Group includes the Parent Company and 2 subsidiaries controlled by the Parent Company. These subsidiaries are consolidated in these Consolidated Financial Statements.

5a. List of subsidiaries to be consolidated

Subsidiary	Address	Principal business activities	Capital contribution rate	Benefit rate	Voting rate
Phong Phu Home Textile Joint Stock Company (formerly known as Quang Phu Textile and Garment Joint Stock Company)	Hanh Tri Village, Quang Son Commune, Ninh Son District, Ninh Thuan Province	Manufacturing, trading cotton, fibers, fabric, garments; trading chemicals, dye, machinery and equipment of textile and garment industries	90%	90%	90%
Nam Duong Phu Joint Stock Company (*)	No. 48 Tang Nhon Phu Street, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City	Manufacturing, trading cotton, fibers	96,28%	96,28%	97,97%

- (*) According to the Charter of Nam Duong Phu Joint Stock Company, the Corporation invests in Nam Duong Phu Joint Stock Company at the voting rate and benefit rate of 48% and Phong Phu Home Textile Joint Stock Company invests in Nam Duong Phu Joint Stock Company at the voting rate and benefit rate of 10%. As of the balance sheet date, the shareholders of Nam Duong Phu Joint Stock Company have not fully contributed the registered charter capital; therefore, the Group's voting rate and benefit rate in Nam Duong Phu Joint Stock Company are corresponding to the actual contribution rate of 96,28%.

PHONG PHU CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)**5b. List of associates reflected in the Consolidated Financial Statements using the equity method**

Associates	Address	Principal business activities	Ownership rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Coats Phong Phu Limited Liability Company	No. 48 Tang Nhon Phu Street, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City	Manufacturing and trading cotton, fibers	35,65%	35,65%	35,65%	35,65%
HUD Saigon Housing and Urban Development Investment Joint Stock Company	No. 159 Dien Bien Phu Street, Ward 15, Binh Thanh District, Ho Chi Minh City	Investing, constructing and trading real estate	21,51%	21,51%	21,51%	21,51%
Dalat Garment Joint-Stock Company	No. 09 Phu Dong Thien Vuong Street, Da Lat City, Lam Dong Province	Manufacturing and trading garments, materials, machinery and equipment used in garment and textile industries	40,00%	40,00%	40,00%	40,00%
Phong Phu - Daewon - Thu Duc Housing Development Corporation	No. 378 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City	Trading real estate, land use right of owners, users or lessees	47,64%	47,64%	47,64%	47,64%
Phong Phu Trading & Investment Promotion Corporation	No. 168B Bui Thi Xuan Street, Pham Ngu Lao Ward, District 1, Ho Chi Minh City	Manufacturing, trading cotton, imported materials; manufacturing and exporting towel of all kinds	31,71%	31,71%	34,74%	34,74%
Dong Nam Textile Joint Stock Company	No. 727 Au Co Street, Tan Thanh Ward, Tan Phu District, Ho Chi Minh City	Manufacturing textile products	35,99%	35,99%	35,99%	35,99%
Nha Trang Textile & Garment Joint Stock Company	Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province	Manufacturing textile products	23,89%	23,89%	23,89%	23,89%

6. Statement of information comparability on the Consolidated Financial Statements

The corresponding figures in the previous year can be comparable with those in the current year.

7. Headcount

As of the balance sheet date, the Group's headcount is 1.983 (headcount at the beginning of the year: 1.937).

II. FISCAL YEAR AND ACCOUNTING CURRENCY**1. Fiscal year**

The fiscal year of the Group is from 01 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is Vietnamese Dong (VND) because transactions of the Group are primarily made in VND.

PHONG PHU CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Group companies apply the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Vietnamese Enterprise Accounting System, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 guiding presentation and preparation of the Consolidated Financial Statements as well as other Circulars guiding implementation of the Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Financial Statements.

2. Statement of the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding implementation of the Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

The Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Consolidation bases

The Consolidated Financial Statements include the Combined Financial Statements of the Parent Company and the Financial Statements of its subsidiaries. A subsidiary is an enterprise that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiaries to obtain economic benefits from their activities. In determining the control power, the potential voting right arising from options or debt and capital instruments that can be converted into common shares as of the balance sheet date should also be taken into consideration.

The financial performance of subsidiaries, which are acquired or disposed during the year, is included in the Consolidated Income Statement from the date of acquisition or disposal of investments in those subsidiaries.

The Financial Statements of the Parent Company and those of subsidiaries used for consolidation are prepared in the same accounting period and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

Intra-group balances in the Balance Sheet and intra-group transactions and unrealized profits resulting from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

PHONG PHU CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Benefits of non-controlling shareholders reflect profit or loss and net assets of subsidiaries, which are not held by the Group and presented in a separate item of the Consolidated Income Statement and the Consolidated Balance Sheet (classified under owner's equity). Benefits of non-controlling shareholders include the values of their non-controlling benefit at the initial date of business combination and those arise within the ranges of changes in owner's equity from the date of business combination. The losses arising in the subsidiaries are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiaries.

3. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Group and the Bank.
- For capital contribution made or received: the buying rate ruling as at the date of capital contribution of the bank where the Group opens its account to receive contributed capital.
- For receivables: the buying rate ruling as at the time of transactions of the commercial bank where the Group designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transactions of the commercial bank where the Group supposes to make payment.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Group makes payments.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Group opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of each bank.

For monetary items in foreign currencies classified as liabilities: the selling rate of each bank.

4. Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

5. Financial investments

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Corporation intends and is able to hold to maturity. The Company's held-to-maturity investments include term deposits for the purpose of receiving periodical interest.

Held-to-maturity investments are initially recognized at cost including the acquisition cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in Income Statement on the basis of the interest income to be received. Interest incurred prior to the Group's acquisition of held-to-maturity investments is deducted into the costs at the acquisition time.

When there is reliable evidence proving that a part or the whole investment cannot be recovered and the loss is reliably measured, the loss is recognized as financial expenses during the year and directly deducted into the investment costs.

Investments in joint ventures and associates

Joint ventures

A joint venture is an entity which is established by a contractual arrangement whereby the Group and the involved parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.

The Group recognizes its benefits in jointly-controlled entities in accordance with the equity method. Accordingly, contributed capital in joint ventures is initially recognized at cost and then adjusted for the changes in the Group's ownership rate of net assets of jointly-controlled entities. The Consolidated Income Statement reflects the Group's ownership in the financial performance of jointly-controlled entities. The Group stops using the equity method from the date it ceases to have the jointly-controlled right or significant influences on jointly-controlled entities.

The Financial Statements of the jointly-controlled entity are prepared for the accounting period that is the same with the Consolidated Financial Statements of the Group. In the case that the accounting policy of a jointly-controlled entity is different from the accounting policy applied consistently in the Group, the Financial Statements of that jointly-controlled entity will be properly adjusted before being consolidated in the Consolidated Financial Statements.

Unrealized profits/(losses) arising from transactions with jointly-controlled entities are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

Associates

An associate is an entity which the Group has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

Investments in associates are recorded as in the owner's equity method. Accordingly, the investment in associate is initially recorded at costs on the Consolidated Financial Statements and then adjusted for the post acquisition change in the Group's share of net assets of the associate. If the Group's share of loss of an associate exceeds or equals the carrying amount of an investment, the investment is then reported at nil (0) value on the Consolidated Financial Statements, except when the Group has obligations to pay on behalf of the associate to satisfy obligations of the associate.

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For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

The Financial Statements of the associate are prepared for the accounting period that is the same with that of the Group. In the case that the accounting policy of an associate is different from the accounting policy applied consistently in the Group, the Financial Statements of that associate will be suitably adjusted before being used for the preparation of the Consolidated Financial Statements.

Unrealized profits/(losses) arising from transactions with associates are eliminated in proportion to the amount under the Group's ownership in the preparation of the Consolidated Financial Statements.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Group to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of acquisition plus other directly attributable transaction costs. Dividends and profit incurred prior to the acquisition of investments are deducted into investment costs. Dividends and profit incurred after the acquisition of investments are recorded into the Group's financial income. Particularly, the dividends paid in form of shares are not recorded as an increase in costs, but the increases in quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made based on the losses suffered by investees, with the amount defined by the difference between owners' actual contributed capital and the total owners' equity as of the balance sheet date multiplied (x) by the Group's rate of charter capital owning in these investees.

Increases/(decreases) in the provisions for impairment of investments in equity instruments of other entities as of the balance sheet date are recorded into financial expenses.

6. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables or other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for overdue debts:
 - 30% of the value of debts overdue between 6 months and less than 1 year.
 - 50% of the value of debts overdue between 1 year and less than 2 years.
 - 70% of the value of debts overdue between 2 years and less than 3 years.
 - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Allowance for other receivables is made for each doubtful debt on the basis of estimated loss.

Increases/(decreases) in the allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

7. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For work-in-process:
 - Construction of real estate project: Costs include construction costs, loan interest, land use right and other directly relevant expenses.
 - Production of products: Costs include costs of main materials, labors and other directly relevant expenses.
- For finished goods: Costs comprise costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business deducts the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for devaluation of inventories is recognized for each category of inventory when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for devaluation of inventories as of the balance sheet date are recorded into costs of sales.

8. Prepaid expenses

Prepaid expenses comprise actual expenses incurred but relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include land use right, tools and repair expenses. These prepaid expenses are allocated over the prepayment period or period in which corresponding benefits are realized.

Land use right

Expenses on transfer of land use right include the actual expenses paid for the transferred land being used by the Corporation. Expenses on transfer of temporary land use right are allocated over the term specified in Land Use Right Certificate.

Tools

Expenses on tools being put into use are allocated into costs in accordance with the straight-line method for the maximum period of 3 years.

Repair expenses

Repair expenses include the actual expenses used to repair offices for lease, machinery and equipment. These expenses are allocated into the financial performance for the maximum period of 3 years.

9. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Group's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

10. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation expenses during the year.

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Notes to the Consolidated Financial Statements (cont.)

When a tangible fixed asset is sold or disposed, 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.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period applied is as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 50
Machinery and equipment	05 – 20
Vehicles	06 – 10
Office equipment	03 – 08

11. Financial leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. The depreciation period of the financial leased assets is as follows:

<u>Fixed assets</u>	<u>Years</u>
Machinery and equipment	06 – 15
Vehicles	08

12. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the year only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Group's intangible fixed asset only includes computer software.

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Group until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 02 – 05 years.

13. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Group) directly attributable to assets under construction, machinery and equipment under installation for purposes of production, leasing and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.

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14. Business combination and goodwill

The business combination is accounted by applying acquisition method. The costs of business merging include the fair values as at the acquisition date of the exchanged assets, the incurred or assumed liabilities as well as the equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquired assets, the identifiable and contingent liabilities assumed from the business merging are recognized at their fair values as at the acquisition date.

If the business combination covers some accounting periods, the cost of business merging equals the total investment made at the date of obtaining the control of subsidiaries plus the amount of previous investments which are re-evaluated at fair value as at the date of obtaining the control of subsidiaries. The difference between the re-evaluated amount and the cost of investment shall be recorded in the financial performance provided that the Group does not have any significant influence on subsidiaries prior the date of obtaining the control and the investment in subsidiaries is presented in line with the cost method. In case where the Group has significant influence on the subsidiaries prior the date of obtaining the control the investment in subsidiaries is presented in line with the equity method, the difference between the re-evaluated amount and the cost of investment determined in line with the equity method shall be recorded in the financial performance; and the difference between the investment determined in line with the equity method and the cost of investment shall be directly recorded in "Retained earnings" of the Consolidated Balance Sheet.

The excess of the cost of business combination over the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date obtaining the control of subsidiaries is recognized as goodwill. If the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date of obtaining the control of subsidiaries exceeds the cost of business combination, the difference will be included in the financial performance.

Goodwill is allocated in accordance with the straight-line method in 10 years. When there is evidence that loss of goodwill is larger than the allocation amount, the allocation amount during the year is the arisen loss.

The benefit of non-controlling shareholders as at the date of business combination is initially measured on the basis of the ownership share of non-controlling shareholders in the fair values of the assets, the liabilities and the inherent liabilities recognized.

15. Contractual arrangement

Jointly controlled operations

In respect of its interest in jointly controlled operations, the Group shall recognize in its Consolidated Financial Statements:

- the assets that the Group controls.
- the liabilities that the Group incurs.
- the Group earns from the sale of goods or services by the joint venture.
- the expenses that the Group incurs.

16. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recognized on the basis of reasonable estimates for the amount payable.

The classification of payables as trade payables, accrued expenses or other payables is made according the following principles:

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- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Consolidated Balance Sheet on the basis of their remaining term as of the balance sheet date.

17. Provisions for payables

Provisions are recorded when the Group has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

18. Owner's equity

Owner's capital

The contributed capital is recorded according to the actual amount invested by the Corporation's shareholders.

Share premiums

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, carrying value of treasury stocks and the equity component of convertible bonds upon maturity. Expenses directly related to the additional issue of stocks and the re-issuance of treasury stocks are recorded as a decrease in share premiums.

19. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Corporation as well as legal regulations and approved by the General Meeting of Shareholders.

Profit distribution to shareholders is done under consideration to non-monetary items belonging to retained earnings which probably affects cash flows and dividend payment ability, including gains arisen from the revaluation of assets contributed as capital, interest due to the revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recorded as payables upon the approval of the General Meeting of Shareholders.

20. Recognition of revenue and income

Revenue from sales of merchandise and finished goods

Revenue from sales of merchandise and finished goods are recognized when the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of merchandise or products to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.

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- The amount of revenue can be measured reliably. Where the contracts stipulate that buyers have the right to return products, merchandise purchased under specific conditions, the revenue is recorded only when those specific conditions are no longer exist and buyers retains no right to return merchandise, products (except for the case that such returns are in exchange for other goods or services).
- The Group received or shall probably receive the economic benefits associated with sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Revenue from provisions of services

Revenue from provisions of services shall be recognized when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, the revenue is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Group received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of revenue is done on the basis of the volume of work done as of the balance sheet date.

Revenue from sales of real estate

Revenue from sales of real estate that invested by the Group shall be recognized when all of the following conditions have been satisfied:

- the real estate is fully completed and handed over to the buyers, and the Group has transferred to the buyer the significant risks and rewards of ownership of the real estate.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold.
- The amount of revenue can be measured reliably.
- The Group received or shall probably receive the economic benefits associated with the transaction.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

In case the customer has the right to complete the interior of the real estate and the Group completes the interior of the real estate according to the designs, models, and customer requirements under the separate contract, the revenue is recognized upon the completion and handover of the main construction works to customers.

Revenue from operating lease

Revenue from operating lease is recognized in accordance with the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

Interest

Interest is recorded based on the term and the actual interest rate applied in each particular period.

Dividends and profit shared

Dividends and profit shared are recognized when the Group has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded as an increase in value, but the increasing quantity of shares is followed up.

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21. Revenue deductions

Revenue deductions include trade discounts, sales allowances, sales returns incurred in the same year of providing products, merchandise, services, in which revenues are derecognized.

In case of products, merchandise, services provided in the previous years but trade discounts, sales allowances, sales returns incurred in the current year, revenues are derecognized as follows:

- If trade discounts, sales allowances, sales returns incur prior to the release of the Consolidated Financial Statements, revenues are derecognized on the Consolidated Financial Statements of the current year.
- If trade discounts, sales allowances, sales returns incur after the release of the Consolidated Financial Statements, revenues are derecognized on the Consolidated Financial Statements of the following year.

22. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

23. Expenses

Expenses are those that result in outflows of the Group's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

24. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

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Notes to the Consolidated Financial Statements (cont.)

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Group shall offset deferred tax assets and deferred tax liabilities if:

- The Group has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Group has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

25. Related parties

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

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

26. Segment reporting

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Group's segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Consolidated Financial Statements of the Group.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	2.640.733.697	1.598.777.712
Bank deposits	70.039.046.204	66.198.258.147
Cash equivalents – Deposits of which the principal maturity is from 3 months or less	50.600.000.000	6.276.023.554
Total	<u>123.279.779.901</u>	<u>74.073.059.413</u>

2. Financial investments

The financial investments of the Group include held-to-maturity investments and investments in other entities. The Group's financial investments are as follows:

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Notes to the Consolidated Financial Statements (cont.)**2a. Held-to-maturity investments**

This item reflects bank deposits, of which the principal maturity is from 6 months to 1 year. The Contracts of Term Deposits at VietinBank and ACB with the total amount of VND 55.500.000.000 have been used to secure the L/C payment obligations and guarantees at the same banks (see Note No. V.22).

2b. Investments in joint ventures and associates

	Ending balance			Beginning balance		
	Profit arisen after			Profit arisen		
	Original amount	the investment date	Total	Original amount	investment date	Total
Coats Phong Phu Limited Liability Company	85.253.638.578	311.747.220.574	397.000.859.152	85.253.638.578	332.359.745.569	417.613.384.147
HUD Saigon Housing and Urban Development Investment Joint Stock Company	10.000.000.000	19.739.243	10.019.739.243	10.000.000.000	6.480.834	10.006.480.834
Dalat Garment Joint-Stock Company	6.769.616.000	(1.636.287.331)	5.133.328.669	6.769.616.000	(1.932.024.300)	4.837.591.700
Phong Phu - Daewon - Thu Duc Housing Development Corporation	144.586.200.608	(5.228.765.629)	139.357.434.979	144.586.200.608	(14.610.737.957)	129.975.462.651
Phong Phu Trading & Investment Promotion Corporation	6.800.516.237	(6.800.516.237)	-	6.800.516.237	(6.800.516.237)	-
Dong Nam Textile Joint Stock Company	46.888.561.208	13.394.805.154	60.283.366.362	25.297.321.208	12.296.906.424	37.594.227.632
Nha Trang Textile & Garment Joint Stock Company	70.968.627.165	(32.607.349.009)	38.361.278.156	70.968.627.165	(39.592.122.113)	31.376.505.052
Total	371.267.159.796	278.888.846.765	650.156.006.561	349.675.919.796	281.727.732.220	631.403.652.016

Value of the Group's ownership in joint ventures and associates is as follows:

	Beginning balance of ownership value	Capital increase during the year	Profit/(loss) during the year	Dividends and profit shared during the year	Other decreases	Ending balance of ownership value
Coats Phong Phu Limited Liability Company	417.613.384.147	-	334.333.003.950	(354.945.528.945)	-	397.000.859.152
HUD Saigon Housing and Urban Development Investment Joint Stock Company	10.006.480.834	-	13.258.409	-	-	10.019.739.243
Dalat Garment Joint-Stock Company	4.837.591.700	-	295.736.969	-	-	5.133.328.669
Phong Phu - Daewon - Thu Duc Housing Development Corporation	129.975.462.651	-	9.381.972.328	-	-	139.357.434.979
Phong Phu Trading & Investment Promotion Corporation	-	-	-	-	-	-
Dong Nam Textile Joint Stock Company	37.594.227.632	21.591.240.000	1.097.898.730	-	-	60.283.366.362
Nha Trang Textile & Garment Joint Stock Company	31.376.505.052	-	6.885.070.909	-	99.702.195	38.361.278.156
Total	631.403.652.016	21.591.240.000	352.006.941.295	(354.945.528.945)	99.702.195	650.156.006.561

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Notes to the Consolidated Financial Statements (cont.)*Transactions with joint ventures and associates*

Significant transactions between the Group and joint ventures and associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Coats Phong Phu Limited Liability Company</i>		
Profit shared	354.945.528.945	410.844.829.248
Sales of finished goods and merchandise	719.788.233.270	501.934.324.971
Service provisions	16.047.715.530	15.177.221.087
Purchase of materials	372.234.312.970	233.602.324.814
<i>Dong Nam Textile Joint Stock Company</i>		
Capital contribution	260.000.000	-
Sales of finished goods	22.812.996	-
Receipt of capital contribution	260.000.000	-
Sales of finished goods	22.812.996	-
Capital contribution	21.591.276.542	-
<i>Nha Trang Textile & Garment Joint Stock Company</i>		
Sales of finished goods and merchandise	-	3.592.970.303
Service provisions	-	6.553.775.136
Receivable for interest on asset rental	-	4.527.399.646
Purchase of merchandise, materials	1.519.280.484	9.534.114.491
Service charges	23.962.409.646	15.852.609.622
Factory transfer support	-	2.564.726.758
Purchase of tools, fixed assets	3.361.155.981	-
<i>Dalat Garment Joint-Stock Company</i>		
Dividends shared	-	634.652.566

2c. Investments in other entities

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original amount</u>	<u>Provision</u>	<u>Original amount</u>	<u>Provision</u>
Binh An Garment Textile Material Accessories Joint Stock Company	13.027.052.451	(1.423.365.164)	13.027.052.451	(246.155.288)
Lien Phuong Textile & Garment Corporation	32.288.540.334	(9.402.117.994)	32.288.540.334	-
Gia Dinh Development Corporation	12.533.634.095	-	12.533.634.095	-
Gia Dinh - Phong Phu Textile and Garment Corporation	5.852.355.319	(5.852.355.319)	5.852.355.319	(5.852.355.319)
Vietnam Wool Joint Stock Company	1.337.103.882	(877.928.858)	1.337.103.882	(949.900.491)
Vietnam Textile Garment Materials Trading and Manufacturing Company Limited	11.282.879.453	(10.683.281.723)	11.282.879.453	(10.508.383.656)
Saigon - Rach Gia Corporation	2.984.184.383	(2.984.184.382)	2.984.184.383	(2.804.972.612)
Hung Phu Joint Stock Company	1.813.677.769	(1.813.677.769)	1.813.677.769	(1.813.677.768)
Vinatex Nam Dinh City Development Joint Stock Company	7.500.000.000	-	7.500.000.000	-
Phuoc Loc Joint Stock Company	3.216.754.481	-	3.216.754.481	-
Phong Phu International Joint Stock Company	14.093.555.470	-	14.093.555.470	-
Total	105.929.737.637	(33.036.911.209)	105.929.737.637	(22.175.445.134)

Fair values

The Group has not measured the fair values of investments because there has been no specific guidance on measurement of fair values.

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Notes to the Consolidated Financial Statements (cont.)*Provision for investments in other entities*

Changes in provision for investments in other entities are as follows:

	Current year	Previous year
Beginning balance	22.175.445.134	17.355.315.590
Extraction of provision	10.861.466.075	4.820.129.544
Ending balance	33.036.911.209	22.175.445.134

3. Short-term trade receivables

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	<i>277.018.342.238</i>	<i>210.485.660.916</i>
Coats Phong Phu Limited Liability Company	262.239.956.872	196.535.436.993
Phong Phu Trading & Investment Promotion Corporation	12.930.807.340	12.930.807.340
Phong Phu International Joint Stock Company	1.490.805.374	1.003.372.075
Hoa Tho Textile - Garment Joint Stock Corporation	274.347.052	-
Vietnam National Textile and Garment Group	82.425.600	16.044.508
<i>Receivables from other customers</i>	<i>160.708.944.976</i>	<i>164.074.847.463</i>
Total	437.727.287.214	374.560.508.379

The right to get receivables of VND 60.000.000.000 and claims on receivables of VND 6.235.843.562 have been mortgaged to secure the Group's loans from VietinBank - Ho Chi Minh City Branch and ACB - Saigon Branch respectively (see Note No.V.22a).

4. Short-term prepayments to suppliers

	Ending balance	Beginning balance
<i>Prepayments to related party</i>	<i>2.077.920</i>	-
Viet Thang Corporation	2.077.920	-
<i>Prepayments to other suppliers</i>	<i>21.620.985.787</i>	<i>8.220.335.833</i>
Dong Quang Spinning Corporation	127.464.624	1.332.815.915
Hoang Thi Loan Textile & Garment Joint Stock Company - prepayment for processing services	10.000.000.000	-
Olam Global Agri Pte Ltd.	-	1.090.921.650
Olam International Limited	-	932.307.200
Van Khoa Technical Services Trading Company Limited	2.360.897.266	889.230.636
Other suppliers	9.132.623.897	3.975.060.432
Total	21.623.063.707	8.220.335.833

5. Other receivables**5a. Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Phong Phuoc Investment Development Joint Stock Company - Profit receivable from business co-operation in Dong Mai project	-	-	74.071.866.212	-
Phong Phuoc Investment Development Joint Stock Company - Receivable for deferred payment	-	-	11.448.047.374	-
Saigon Agriculture Incorporation - Receivable for business co-operation in Lang Le - Bau Co project (*)	43.532.895.759 (16.291.758.178)	-	43.532.895.759 (16.291.758.178)	-
Receivable for interest on asset rental	354.507.539	-	400.801.124	-

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Notes to the Consolidated Financial Statements (cont.)

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Dividends shared	1.651.686.000	-	-	-
Advance	5.341.881.094	-	2.868.812.602	-
Other short-term receivables	3.956.580.770	(3.242.551.090)	4.675.049.951	(3.242.551.090)
Total	54.837.551.162	(19.534.309.268)	136.997.473.022	(19.534.309.268)

- (*) On 09 April 2021, Ho Chi Minh City People's Committee Office issued the Notice No. 279/TB-VP on conclusion of Vo Van Hoan, Vice Chairman of the Municipal People's Committee agreeing the policy that Saigon Agriculture Incorporation would not continue the project implementation and it is assigned to enter into negotiation to terminate the business co-operation contract with the Corporation. On 26 May 2021, the Department of Natural Resources and Environment issued the Document No. 4046/STNMT-QLĐ to report to the Municipal People's Committee on taking back the project land and handing it over to the People's Committee of Binh Chanh District.

On 15 May 2023, the People's Committee of Ho Chi Minh City issued the Decision No. 1923/QĐ-UBND on recovery of land for Lang Le – Bau Co Industrial Cluster project. The Corporation and Saigon Agriculture Incorporation are working to reach an agreement on unfinished investment costs, shared capital and outstanding balances of the involved parties to report to the Municipal People's Committee for appraisal and direction toward handling.

5b. Other long-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Long-term deposits	-	-	76.332.598	-
VAT on financial leases	2.559.086.949	-	-	-
Other long-term receivables	1.380.983.697	-	1.871.668.533	-
Total	3.940.070.646	-	1.948.001.131	-

6. Doubtful debts

	Ending balance		Beginning balance	
	Original amount	Recoverable value	Original amount	Recoverable value
Saigon Agriculture Incorporation	43.532.895.759	27.241.137.581	43.532.895.759	27.241.137.581
Tai Tin Company Limited	3.242.551.090	-	3.242.551.090	-
Other organizations and individuals	5.455.764.842	503.670.656	5.643.466.094	66.249.997
Total	52.231.211.691	27.744.808.237	52.418.912.943	27.307.387.578

Changes in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	25.111.525.365	25.434.741.362
Extraction/(reversal) of allowance	(625.121.911)	4.658.590.671
Treatment for balances (*)	-	(4.981.806.668)
Ending balance	24.486.403.454	25.111.525.365

- (*) Writing off doubtful debts that cannot be recovered according to the Meeting Minutes dated 29 November 2023 of the Board of Management of Phong Phu Home Textile Joint Stock Company.

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Notes to the Consolidated Financial Statements (cont.)**7. Inventories**

	Ending balance		Beginning balance	
	Original cost	Allowance	Original cost	Allowance
Goods in transit	-	-	6.365.471.268	-
Materials and supplies	136.636.089.820	(2.069.136.181)	142.189.822.926	(4.121.336.108)
Work-in-process	142.647.829.387	(1.685.911.923)	147.408.669.776	(2.648.094.987)
Construction-in-progress costs of the project (*)	187.766.564.464	-	187.766.564.464	-
Finished goods	128.704.264.411	(3.200.140.003)	103.289.248.610	(2.504.911.401)
Merchandise	8.502.593.674	-	15.464.971.717	-
Goods on consignment	3.705.567.696	-	2.545.088.456	-
Total	607.962.909.452	(6.955.188.107)	605.029.837.217	(9.274.342.496)

- (*) This item reflects Construction-in-progress costs of Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City (see Notes No. VIII.7).

The rotating merchandise with the minimum mortgage values of VND 245.000.000.000 and VND 40.000.000.000 respectively have been mortgaged to secure the Corporation's loans from Vietcombank – Ninh Thuan Branch and VietinBank – Ho Chi Minh Branch (see Note No. V.22).

Changes in allowance for devaluation of inventories are as follows:

	Current year	Previous year
Beginning balance	9.274.342.496	16.907.153.112
Reversal of allowance	(2.319.154.389)	(7.632.810.616)
Ending balance	6.955.188.107	9.274.342.496

8. Prepaid expenses**8a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Tools	592.917.089	98.529.935
Insurance premiums	351.935.046	279.390.124
Other short-term prepaid expenses	522.301.662	788.976.444
Total	1.467.153.797	1.166.896.503

8b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	4.325.290.590	781.824.424
Repair expenses	7.315.584.492	3.865.643.888
Land use right	3.918.367.320	5.387.755.080
Other long-term prepaid expenses	1.774.070.269	2.293.222.137
Total	17.333.312.671	12.328.445.529

9. Tangible fixed assets

Increase/(decrease) in tangible fixed assets is presented in the attached Appendix 01.

Some tangible fixed assets, of which the carrying value is VND 377.056.811.368, have been mortgaged to secure the loans from banks and Vietnam National Textile and Garment Group (see Note No. V.22).

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All tangible fixed assets, i.e. machinery and equipment under “Quang Phu Towel Factory - Phase 1”, “Quang Phu Towel Factory - Phase 2” projects and Quang Phu Towel Factory in Quang Son Commune, Ninh Son District, Ninh Thuan Province, of which the carrying value is totally VND 148.220.448.452, have been mortgaged to secure the loan of the Group from Vietcombank (see Note No. V.22).

Some tangible fixed assets, i.e. “Narrow horizontal cutting machine”, “Yamato high-speed electronic catalog rotary overlock machine” and “Automatic dismantling stringing machine”, of which the carrying value is VND 3.879.618.860, have been mortgaged to secure the loan of the Group from VietinBank – Ho Chi Minh City Branch (see Note No. V.22a).

10. Financial leased assets

	Machinery and equipment	Vehicles	Total
Historical costs			
Beginning balance	97.908.880.314	2.550.974.243	100.459.854.557
Financial leases during the year	34.856.428.559	520.000.000	35.376.428.559
Acquisition of financial leased assets	(13.717.632.454)	-	(13.717.632.454)
Ending balance	119.047.676.419	3.070.974.243	122.118.650.662
Depreciation			
Beginning balance	6.506.626.029	102.203.784	6.608.829.813
Depreciation during the year	7.367.752.033	376.649.552	7.744.401.585
Acquisition of financial leased assets	(3.919.311.638)	-	(3.919.311.638)
Ending balance	9.955.066.424	478.853.336	10.433.919.760
Carrying values			
Beginning balance	91.402.254.285	2.448.770.459	93.851.024.744
Ending balance	109.092.609.995	2.592.120.907	111.684.730.902

After the completion of lease term or premature payment for all leases and if the Group has performed all obligations as in the agreement stipulated in financial lease contract, the lessor commits to selling these leased assets to the Group at the nominal price.

11. Intangible fixed assets

	Initial costs	Amortization	Carrying values
Beginning balance	583.927.273	463.309.060	120.618.213
Amortization during the year		12.061.812	
Ending balance (*)	583.927.273	475.370.872	108.556.401

(*) In which, initial costs of intangible fixed assets fully amortized but still in use are VND 403.000.000.

12. Construction-in-progress

	Beginning balance	Increases during the year	Inclusion into fixed assets and financial leased assets during the year	Inclusion into expenses	Ending balance
Acquisition of fixed assets	-	44.811.219.226	(40.441.881.411)	(2.497.983.203)	1.871.354.612
Construction-in-progress	1.703.961.819	17.001.299.804	(10.439.291.665)	(3.254.952.100)	5.011.017.858
- Vung Tau City new market project	1.407.780.001	-	-	-	1.407.780.001
- Winding machine	-	7.172.224.627	(5.115.114.092)	(982.505.700)	1.074.604.835
- Other projects	296.181.818	9.829.075.177	(5.324.177.573)	(2.272.446.400)	2.528.633.022
Total	1.703.961.819	61.812.519.030	(50.881.173.076)	(5.752.935.303)	6.882.372.470

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Notes to the Consolidated Financial Statements (cont.)**13. Deferred income tax assets****Unrecognized deferred income tax assets**

The Group has not recognized deferred income tax assets for the following items:

	Ending balance	Beginning balance
Temporarily deductible difference	81.676.486.842	94.413.007.473
Accrued expenses	4.089.822.379	5.061.066.905
Provisions for payables	62.473.188.366	62.473.188.366
Non-deductible loan interest expenses ⁽ⁱ⁾	15.113.476.097	26.878.752.202
Taxable loss ⁽ⁱⁱ⁾	88.947.721.291	232.194.236.862
Total	170.624.208.133	326.607.244.335

- (i) In accordance with the Government's Decree No. 132/2020/NĐ-CP dated 05 November 2020, from the tax period of 2019 onwards, the non-deductible loan interest is carried forward to the next tax period for the determination of total deductible loan interest if the actually incurred loan interest in the next tax period is lower than the amount of prescribed deductible loan interest. The loan interest may be carried forward for a maximum consecutive period of 5 years, counting from the year following the year of incurring non-deductible loan interest. Deferred income tax assets are not recognized since there is little possibility on use of such loan interest expenses.
- (ii) According to the current Law on Corporate Income Tax, the loss of any tax year is brought forward to offset against the profit of the following years for the maximum period of 5 years from year after the loss suffering year and the temporary differences can be deducted without any limit on time. Deferred income tax assets are not recognized for these accounts since there is little possibility on the availability of taxable income in the future against which these accounts can be used.

14. Goodwill**Initial costs**

Beginning balance	39.366.504.802
Ending balance	39.366.504.802

Amount allocated

Beginning balance	28.540.715.981
Allocation during the year	3.936.650.480
Ending balance	32.477.366.461

Carrying value

Beginning balance	10.825.788.821
Ending balance	6.889.138.341

15. Short-term trade payables

	Ending balance	Beginning balance
Payables to related parties	162.482.464.291	153.417.756.091
Coats Phong Phu Limited Liability Company	160.984.769.508	113.580.209.519
Nha Trang Textile & Garment Joint Stock Company	1.465.953.176	39.837.546.572
Towel Woven Joint Stock Company - Nam Dinh	31.741.607	-
Textile Garment	-	-
Payables to other suppliers	102.285.763.346	108.853.640.278
Total	264.768.227.637	262.271.396.369

The Group has no overdue trade payables.

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Notes to the Consolidated Financial Statements (cont.)**16. Short-term advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Advances from related parties</i>	9.984.020.760	9.984.020.760
Vietnam National Textile and Garment Group	21.442.860	21.442.860
Vietnam Textile Garment Materials Trading and Manufacturing Joint Stock Company	9.962.577.900	9.962.577.900
<i>Advances from other customers</i>	129.003.286.926	127.455.233.173
Advances from customers with respect to the transfer of terrace houses of Residence Area project in Phuoc Long B Ward (see Notes No. VIII.4 and VIII.6)	115.401.827.748	115.401.827.748
Vinh Phuong Trading Production Company Limited	-	2.165.201.342
Other customers	13.601.459.178	9.888.204.083
Total	138.987.307.686	137.439.253.933

17. Taxes and other obligations to the State Budget

Details of taxes and other obligations to the State Budget are presented in the attached Appendix 02.

Value added tax (VAT)

The Group companies have to pay VAT in accordance with the deduction method. The VAT rates applied are as follows:

- Leasing, trading fiber: (*) 10%
- Using water, trading cotton, scraps: 05%

- (*) For the period from 01 January 2024 to 30 June 2024, the VAT rate applied to some goods and services is 8% according to the Government's Decree No. 94/2023/NĐ-CP dated 28 December 2023 stipulating the VAT reduction policy under the Resolution No. 110/2023/QH15 dated 29 November 2023 of the National Assembly. For the period from 01 July 2024 to 31 December 2024, the VAT rate applied to some goods and services is 8% according to the Government's Decree No. 72/2024/NĐ-CP dated 30 June 2024 stipulating the VAT reduction policy under the Resolution No. 142/2024/QH15 dated 29 June 2024 of the National Assembly.

Import-export duties

The Group companies have declared and paid these duties in line with the Customs' notices.

Corporate income tax

According to the Investment Incentive Certificate No. 43121000136 dated 26 April 2011 granted by the People's Committee of Ninh Thuan Province to Corporation's project in difficult social-economic areas and the Official Letter No. 979/CT-TTHT dated 25 March 2014 of the Tax Department of Ninh Thuan Province giving guidance on corporate income tax incentives, Phong Phu Home Textile Joint Stock Company is applied the preferential tax rate of 10% in 15 years (i.e. from 2012 to 2026), exempted from tax in 4 years (i.e. from 2013 to 2016) and reduced 50% of tax payable in 9 following years (i.e. from 2017 to 2025).

Income from other activities is subject to the tax rate of 20% on taxable income.

Other Group companies have to pay corporate income tax on taxable income at the rate of 20%.

The Group's corporate income tax payable during the year includes:

	<u>Current year</u>	<u>Previous year</u>
Phong Phu Corporation	29.729.199	-
Phong Phu Home Textile Joint Stock Company	2.968.915.033	2.899.099.478
Nam Duong Phu Joint Stock Company	484.098.341	92.262.968
Total	3.482.742.573	2.991.362.446

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Notes to the Consolidated Financial Statements (cont.)

Determination of corporate income tax liability of the Group companies is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Financial Statements can be changed upon the inspection of tax authorities.

Natural resources tax

The Group companies have to pay natural resource tax for the activity of exploiting underground water.

Land rental, property tax

The Corporation has to pay land rental for the land lots being used according to the notices of the tax department.

The Corporation made retroactive adjustment for the land rental and fines for late payment by 2024 for the land lot at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City according to the Notices No. 09/TB-CCTTP dated 20 March 2024, No. 253487/TB-TB07-CTTTP dated 09 April 2024 and No. 14791/TB-CCTTP dated 30 October 2024 of Tan Phu District Tax Department (see Note No. VIII.5).

Other taxes

The Group companies have declared and paid these taxes in line with the prevailing regulations.

18. Payables to employees

This item reflects salary, bonus to be paid to employees.

19. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan interest expenses	976.018.244	868.496.364
Utility expenses	3.552.006.566	3.408.494.183
Commission	1.302.331.245	1.024.077.158
Payment for reaching sales target, supermarket support	347.068.683	428.339.058
Advertising expenses	1.020.000.000	-
Welfares for employees	-	683.775.592
Other short-term accrued expenses	3.185.873.850	2.009.905.447
Total	10.383.298.588	8.423.087.802

20. Unearned revenues

20a. Short-term unearned revenues

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Unearned revenues earned from related party</i>	<i>3.157.462.000</i>	<i>3.157.462.000</i>
Coats Phong Phu Limited Liability Company – Advance for lease of fixed assets	3.157.462.000	3.157.462.000
<i>Unearned revenues earned from other organizations and individuals</i>	<i>872.479.115</i>	<i>282.547.981</i>
Total	4.029.941.115	3.440.009.981

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Notes to the Consolidated Financial Statements (cont.)**20b. Long-term unearned revenues**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Unearned revenues earned from related party</i>	17.366.041.000	20.523.503.000
Coats Phong Phu Limited Liability Company - Prepayment for leasing fixed assets (*)	17.366.041.000	20.523.503.000
<i>Unearned revenues earned from other organizations and individuals</i>	3.131.606.770	3.963.573.071
Vinh Phuong Trading Production Company Limited - Investment for expanding Denim 1 Textile Factory	3.131.606.770	3.963.573.071
Total	20.497.647.770	24.487.076.071

(*) This item reflects unearned revenues related to the prepaid factory rental of Coats Phong Phu Limited Liability Company to 30 June 2031.

21. Other payables**21a. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related party</i>	55.166.499.398	40.488.480.033
Vietnam National Textile and Garment Group - Loan interest expenses	2.794.184.998	3.079.684.033
Vietnam National Textile and Garment Group - Dividends payable	52.372.314.400	37.408.796.000
<i>Payables to other organizations and individuals</i>	75.990.698.924	62.757.696.254
An Tam Investment Development Joint Stock Company – Receipt of business cooperation capital	19.500.000.000	19.500.000.000
Dividends payable	53.293.689.860	37.954.590.235
Other short-term payables	3.197.009.064	5.303.106.019
Total	131.157.198.322	103.246.176.287

21b. Other long-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Lien Phuong Textile & Garment Corporation - Receipt of long-term capital contribution	5.226.000.000	5.226.000.000
Receipt of long-term deposits and mortgages	8.665.296.000	4.700.000.000
Total	13.891.296.000	9.926.000.000

21c. Overdue debts

The Group has no other overdue payables.

22. Borrowings and financial leases**22a. Short-term borrowings and financial leases**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Current portions of long-term loans payable to related party</i>	16.438.837.322	14.250.503.699
Vietnam National Textile and Garment Group (see Note No. V.22b)	16.438.837.322	14.250.503.699
<i>Short-term loans and financial leases payable to other organizations and individuals</i>	357.823.500.913	388.333.294.688
Short-term loans from banks (*)	281.070.539.960	305.420.464.768
BIDV	8.980.019.302	-
VietinBank	94.654.835.424	65.080.657.370

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Notes to the Consolidated Financial Statements (cont.)

	Ending balance	Beginning balance
<i>Vietcombank</i>	168.538.506.791	184.337.182.129
<i>ACB</i>	8.897.178.443	49.938.994.448
<i>VIB</i>	-	6.063.630.821
Short-term loans from other individuals (see Note No. V.22b)	71.472.960.953	70.632.567.208
Current portions of long-term loans (see Note No. V.22b)	-	1.920.000.000
Current portions of financial leases (see Note No. V.22b)	5.280.000.000	10.360.262.712
Total	374.262.338.235	402.583.798.387

(*) The short-term loans from banks are to supplement working capital.

In which:

- The loan of Phong Phu Home Textile Joint Stock Company from VietinBank as of 31 December 2024 for an amount of VND 91.684.173.464 (beginning balance: VND 47.146.763.352) is secured by mortgaging receivables and inventories with values of VND 60.000.000.000 and VND 40.000.000.000 respectively, and assets, including “Narrow horizontal cutting machine”, “Yamato high-speed electronic catalog rotary overlock machine” and “Automatic dismantling stringing machine” (see Notes No. V.3, V.7 and V.9).
- The loan of Phong Phu Home Textile Joint Stock Company from Vietcombank as of 31 December 2024 for an amount of VND 163.522.094.367 (beginning balance: VND 172.922.885.899) is secured by mortgaging Quang Phu Towel Factory – Phase 1 in Quang Son Commune, Ninh Son District, Ninh Thuan Province; Quang Phu Towel Factory – Phase 2 in Quang Son Commune, Ninh Son District, Ninh Thuan Province; used machinery and equipment, i.e. 18 Tsudakoma air jet looms, compressed air system and electrical power system, 12 Toyota weaving machines, 1 Tumbler machine, 1 Texpa automatic horizontal sewing machine, 8 yarn spinning machines, 4 weaving machines, other machinery and equipment, and rotating goods with the minimum mortgaged value of VND 245.000.000.000 (see Notes No. V.7 and V.9).
- The loan of Phong Phu Home Textile Joint Stock Company from ACB – Saigon Branch as of 31 December 2024 for an amount of VND 3.218.071.797 (beginning balance: VND 49.938.994.448) is secured by mortgaging the Group’s claims on some trade receivables (see Notes No. V.3).

The Group is solvent over short-term loans and financial leases.

Details of increase/(decrease) of short-term loans and financial leases during the year are presented in the attached Appendix 03.

22b. Long-term borrowings and financial leases

	Ending balance	Beginning balance
Long-term loans payable to related party	516.330.778.162	509.186.881.533
Vietnam National Textile and Garment Group ⁽ⁱ⁾	516.330.778.162	509.186.881.533
Long-term loans and financial leases payable to other organizations and individuals	71.457.800.923	51.877.333.602
Long-term loans from bank	6.325.404.134	-
<i>Vietcombank</i> ⁽ⁱⁱ⁾	6.325.404.134	-
Financial leases	65.132.396.789	51.877.333.602
<i>Vietcombank Financial Leasing Co., Ltd.</i> ⁽ⁱⁱⁱ⁾	65.132.396.789	51.829.355.539
<i>Chaillese International Leasing Company Limited</i> ^(iv)	-	47.978.063
Total	587.788.579.085	561.064.215.135

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- (i) The loan from Vietnam National Textile and Garment Group is to restructure finance, pay non-current liabilities from credit institutions according commitments of Vietnam National Textile and Garment Group with ADB and the Ministry of Finance. This loan is secured by mortgaging some fixed assets (see Note No. V.9).
- (ii) The loan of Phong Phu Home Textile Joint Stock Company from Vietcombank – Ninh Thuan Branch according to the Contract No. 0312/NTH/2024/CD dated 05 June 2024 is to invest in machinery and equipment and to construct warehouse for towel production capacity. The maximum loan amount is VND 44.000.000.000 and the interest rate is specified in each loan disbursement (adjusted every 6 months). The loan term is 84 months, starting from the first disbursement date. This loan is secured by mortgaging assets, i.e. machinery and equipment formed from the loan capital for “Towel Production Capacity Investment” Project; Quang Phu Towel Factory - Phase 1 in Quang Son Commune, Ninh Son District, Ninh Thuan Province; Quang Phu Towel Factory - Phase 2 in Quang Son Commune, Ninh Son District, Ninh Thuan Province; system of machinery and equipment of the project “Quang Phu Towel Factory 1”; system of machinery and equipment of the project “Quang Phu Towel Factory 2”, and rotating goods with a minimum mortgage value of VND 245.000.000.000 (see Notes No. (see Notes No. V.7 and V.9).
- (iii) The financial leases from Vietcombank Financial Leasing Co., Ltd. – Ho Chi Minh City Branch are according to the following contracts:
- The loan of USD 512.960,00 according to the Contract No. 90.22.04/CTTC dated 07 June 2022 is to lease stenter machine, cross-sectioner and mold control system. The lease term is 84 months. The principal and interest are repaid monthly. The purchase value of assets upon expiry of the lease term is VND 16.000.000.
 - The loan of USD 23.631,20 according to the Contract No. 90.22.12/CTTC dated 19 September 2022 is to lease cone excavator, vacuum system and pneumatic connector. The lease term is 84 months. The principal and interest are repaid monthly. The purchase value of assets upon expiry of the lease term is VND 800.000.
 - The loan of USD 42.504,00 according to the Contract No. 90.22.13/CTTC dated 19 September 2022 is to lease colorimeter and Datacolor Match Textile software. The lease term is 84 months. The principal and interest are repaid monthly. The purchase value of assets upon expiry of the lease term is VND 1.400.000.
 - The loan of EUR 340.080,00 according to the Contract No. 90.22.06/CTTC dated 05 August 2022 is to lease 2 high-pressure dyeing machines. The lease term is 84 months. The principal and interest are repaid monthly. The purchase value of assets upon expiry of the lease term is VND 11.000.000.
 - The loan of VND 5.795.280.000 according to the Contract No. 90.22.07/CTTC dated 29 August 2022 is to lease Tumbler dryers, gas recycling systems, humidity readers and controls. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 7.500.000.
 - The loan of USD 1.504.349,6 according to the Contract No. 90.22.11/CTTC dated 19 September 2022 is to lease Toyota air loom. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 47.500.000.
 - The loan of USD 34.400,00 according to the Contract No. 90.22.15/CTTC dated 18 November 2022 is to lease cotton transport truck. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 1.100.000.
 - The loan of VND 664.549.983 according to the Contract No. 90.23.01/CTTC dated 27 February 2023 is to lease Knotmaster splicing machine and accompanying accessories. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 900.000.
 - The loan of VND 978.160.000 according to the Contract No. 90.23.04/CTTC dated 05 April 2023 is to lease a Fortuner car. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 1.500.000.
 - The loan of VND 989.600.000 according to the Contract No. 90.23.14/CTTC dated 15 December 2023 is to lease a Fortuner car. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 1.400.000.

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- The loan of VND 375.374.580 according to the Contract No. 90.23.12/CTTC dated 15 November 2023 is to lease centrifugal spinning machine. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 550.000.
 - The loan of VND 3.628.800.000 according to the Contract No. 90.23.13/CTTC dated 27 December 2023 is to lease 2 Hengtai automatic cross cutters. The lease term is 84 months. The purchase value of assets upon expiry of the lease term is VND 5.000.000.
 - The loan of VND 449.280.000 according to the Contract No. 90.24.02/CTTC dated 24 April 2024 is to lease a 3-ton diesel forklift. The lease term is 60 months. The purchase value of assets upon expiry of the lease term is VND 600.000.
 - The loan of VND 26.240.000.000 according to the Contract No. 90.24.10/CTTC dated 12 August 2024 is to lease OE spinning production line. The lease term is 60 months. The purchase value of assets upon expiry of the lease term is VND 33.000.000.
- (iii) The financial lease of Phong Phu Home Textile Joint Stock Company from Chailease International Leasing Company Limited for an amount of VND 2.111.035.190 according to the Contract No. C201036902 dated 27 November 2020 is to purchase 10-color cotton printing line system. The lease term is 48 months up to 11 December 2024. The principal and interest are repaid monthly. The purchase value of assets upon expiry of the lease term is VND 2.973.289. This loan was prematurely paid off by Phong Phu Home Textile Joint Stock Company during the year.

The Group is solvent over long-term loans and financial leases.

Repayment schedule of long-term loans and financial leases is as follows:

	Total debts	1 year or less	More than 1 year to 5 years	More than 5 years
Ending balance				
Long-term loans from banks	6.325.404.134	-	-	6.325.404.134
Long-term loans from other organizations	532.769.615.484	16.438.837.322	84.422.609.147	431.908.169.015
Financial leases	70.412.396.789	5.280.000.000	61.164.159.429	3.968.237.360
Total	609.507.416.407	21.718.837.322	145.586.768.576	442.201.810.509
Beginning balance				
Long-term loans from individuals	525.357.385.232	16.170.503.700	73.184.298.000	436.002.583.532
Financial leases	62.237.596.314	10.360.262.711	39.235.329.752	12.642.003.851
Total	587.594.981.546	26.530.766.411	112.419.627.752	448.644.587.383

Details of increases/(decreases) of long-term loans and financial lease during the year are presented in the attached Appendix 03.

22c. Overdue borrowings and financial leases

The Group has no overdue loans and financial leases.

23. Provisions for short-term payables

In 2021, based on the judgement dated 18 December 2021 of the People's Court of Ho Chi Minh City on the violation of Saigon Agriculture Incorporation regarding the transfer of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City, the Group made a provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined as at the transfer date for an amount of VND 62.473.188.366. Accordingly, the provision for loss is made on the basis of the land area of 9.568 m² (corresponding to the adjacent land area, for which capital was mobilized and signed the transfer contract) and the loss rate was determined at 28% of the capital contributed by Saigon Agriculture Incorporation.

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Notes to the Consolidated Financial Statements (cont.)**24. Bonus and welfare funds**

	Beginning balance	Increases due to extraction from profit	Disbursement during the year	Ending balance
Bonus fund	11.568.294.582	16.827.860.988	(20.172.934.331)	8.223.221.239
Welfare fund	657.094.501	6.000.000.000	(4.740.670.216)	1.916.424.285
Bonus fund for the Executive Board	2.827.447.219	18.206.322.095	(17.612.528.095)	3.421.241.219
Total	15.052.836.302	41.034.183.083	(42.526.132.642)	13.560.886.743

25. Owner's equity**25a. Statement of the changes in owner's equity**

Information on the changes in owner's equity is presented in the attached Appendix 04.

25b. Details of owner's capital

	Ending balance	Beginning balance
Vietnam National Textile and Garment Group	374.087.960.000	374.087.960.000
Other shareholders	372.620.950.000	372.620.950.000
Total	746.708.910.000	746.708.910.000

25c. Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	74.670.891	74.670.891
Number of shares sold to the public	74.670.891	74.670.891
- Common shares	74.670.891	74.670.891
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	74.670.891	74.670.891
- Common shares	74.670.891	74.670.891
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

25d. Profit distribution

During the year, the Corporation distributed the 2023 profit in accordance with the Resolution No. 142/NQ-ĐHĐCĐ/PP dated 16 May 2024 of 2024 Annual General Meeting of Shareholders as follows:

	Amount to be distributed	Dividends advanced in the previous year	Amount distributed in the current year
• Distribution of dividends to shareholders	224.012.673.000	186.677.227.500	37.335.445.500
• Appropriation for investment and development fund	17.529.434.000	-	17.529.434.000
• Appropriation for bonus and welfare funds	17.529.434.000	-	17.529.434.000
• Appropriation for bonus to the Board of Management, the Supervisory Board, the Executive Board and hospitality expenditure (3%)	10.517.660.000	-	10.517.660.000
• Appropriation for bonus for reaching over target (10% of extra-profit)	6.099.134.000	-	6.099.134.000

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Additionally, the Corporation made the 1st advance and the 2nd advance of 2024 dividends as follows:

- According to the Decision No. 172/QĐ-HĐQT dated 13 June 2024 of the Board of Management, and the Notice No. 173/TB-PP dated 13 June 2024, the Corporation made the 1st advance of 2024 dividends at the rate of 6%/face value. The final date for registration to exercise the dividend advance right is 28 June 2024, and the dividend payment date is 26 July 2024 onwards, with the amount of VND 44.802.534.600.
- According to the Decision No. 378/QĐ-HĐQT dated 16 December 2024 of the Board of Management, the Notices No. 379/TB-PP dated 16 December 2024, No. 413/TB-PP dated 31 December 2024, and the Decision No. 411/QĐ-HĐQT dated 31 December 2024, regarding the adjustment of the closing date for registration of 2024 dividend payment right, the Corporation made the 2nd advance of 2024 dividends at the rate of 14%/face value. The final date for registration to exercise the dividend advance right is 13 January 2025. The Corporation recognized the 2nd advance of 2024 dividends with the amount of VND 104.539.247.400 at item "Other short-term payables" (code 319) in the Consolidated Balance Sheet.

26. Off-Consolidated balance sheet items**26a. Foreign currencies**

	<u>Ending balance</u>	<u>Beginning balance</u>
US Dollar (USD)	1.475.828,95	1.444.432,82
Euro (EUR)	751,64	1.318,04

26b. Treated doubtful debts

	<u>Ending balance</u>		<u>Beginning balance</u>		<u>Reasons for writing off</u>
	<u>Original currency</u>	<u>VND</u>	<u>Original currency</u>	<u>VND</u>	
G.F.G SRL	76.693,80	1.795.401.858	76.693,80	1.795.401.858	Irrecoverable
Sky Imports	46.947,60	1.099.043.316	46.947,60	1.099.043.316	Irrecoverable
Bach Viet Production Trading Service Co., Ltd.	-	591.750.229	-	591.750.229	Irrecoverable
Other customers	20.987,04	1.495.611.265	20.987,04	1.495.611.265	Irrecoverable
Total		4.981.806.668		4.981.806.668	

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT**1. Revenue from sales of goods and provisions of services****1a. Gross revenue**

	<u>Current year</u>	<u>Previous year</u>
Revenue from sales of finished goods	1.824.172.245.220	1.467.398.508.766
Revenue from sales of merchandise, provisions of services	413.733.610.587	286.504.370.392
Revenue from sales of real estate	148.645.997	619.877.344
Total	2.238.054.501.804	1.754.522.756.502

1b. Revenue from sales of goods and provisions of services to related parties

Apart from sales of goods and service provisions to joint ventures and associates presented in Note No. V.2b, the Group has sales of goods and service provision to other related parties which are not subsidiaries, joint ventures and associates as follows:

	<u>Current year</u>	<u>Previous year</u>
Phong Phu International Joint Stock Company		
Service provisions	16.391.493.534	14.981.054.966

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Notes to the Consolidated Financial Statements (cont.)

	<u>Current year</u>	<u>Previous year</u>
<i>Hoa Tho Textile - Garment Joint Stock Corporation</i>		
Service provisions	2.251.027.071	2.008.961.060
<i>Phuoc Loc Joint Stock Company</i>		
Sales of merchandise, finished goods	70.842.612.052	48.025.067.514
Service provisions	7.849.603.204	5.789.008.155
2. Revenue deductions		
	<u>Current year</u>	<u>Previous year</u>
Trade discounts	1.262.156.956	808.139.034
Sales returns	4.114.914.166	4.292.420.831
Sales allowances	-	40.800.000
Total	<u>5.377.071.122</u>	<u>5.141.359.865</u>
3. Costs of sales		
	<u>Current year</u>	<u>Previous year</u>
Costs of finished goods sold	1.489.568.197.518	1.174.997.101.258
Costs of merchandise, services provided	316.278.929.472	233.627.689.675
Costs of real estate sold	-	645.454.545
Reversal of allowance for devaluation of inventories	(2.319.154.389)	(7.632.810.616)
Total	<u>1.803.527.972.601</u>	<u>1.401.637.434.862</u>
4. Financial income		
	<u>Current year</u>	<u>Previous year</u>
Demand deposit interest	68.248.700	130.590.492
Term deposit interest	23.319.517.976	24.839.409.805
Dividends and profit shared	9.751.686.000	8.841.570.000
Exchange gain arising	13.166.379.186	9.471.948.157
Other income	2.243.757.815	-
Other financial income		
Total	<u>48.549.589.677</u>	<u>43.283.518.454</u>
5. Financial expenses		
	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	54.671.580.549	59.352.205.703
Exchange loss arising	6.264.274.081	6.700.054.973
Exchange loss due to the revaluation of monetary items in foreign currencies	22.263.262.240	16.843.485.309
Provisions for investment loss	10.861.466.074	4.820.129.544
Support for reducing interest on deferred payment	9.415.761.812	-
Other financial expenses	-	20.000.000
Total	<u>103.476.344.756</u>	<u>87.735.875.529</u>

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Notes to the Consolidated Financial Statements (cont.)**6. Selling expenses**

	Current year	Previous year
Expenses for employees	24.363.711.618	16.077.726.894
Materials and supplies	1.498.671.565	874.318.567
Expenses for external services	49.425.497.961	45.943.073.992
Other expenses	13.102.295.927	14.164.430.498
Total	88.390.177.071	77.059.549.951

7. General and administration expenses

	Current year	Previous year
Expenses for employees	89.516.493.085	75.068.159.456
Office supplies	7.895.156.485	5.319.515.531
Depreciation/(amortization) of fixed assets	4.318.714.172	4.433.240.780
Allocation of goodwill	3.936.650.480	3.936.650.480
Taxes, fees and legal fees	80.618.334.105	78.918.175.060
Allowance/(reversal of allowance) for doubtful debts	(625.121.911)	4.658.590.671
Expenses for external services	61.167.428.083	42.197.113.300
Other expenses	11.377.501.685	7.293.426.892
Total	258.205.156.184	221.824.872.170

8. Other income

	Current year	Previous year
Gain from liquidation and disposal of fixed assets	4.422.439.004	-
Fines for violation of the contract	4.328.816.607	60.000.000
Other income	145.154.243	64.867.296
Total	8.896.409.854	124.867.296

9. Other expenses

	Current year	Previous year
Loss from liquidation and disposal of fixed assets	-	1.688.605.636
Factory transfer support	-	2.564.726.758
Payment of fines, compensation	3.796.545.319	-
Other expenses	710.458.155	812.334.831
Total	4.507.003.474	5.065.667.225

10. Earnings per share**10a. Basic/diluted earnings per share**

	Current year	Previous year
Accounting profit after corporate income tax of the Parent Company	373.773.464.227	311.362.639.035
Appropriation for bonus and welfare funds	(23.382.092.574)	(9.388.278.906)
Appropriation for bonus to the Board of Management, the Supervisory Board and the Executive Board	(12.239.884.623)	(11.936.555.427)
Remuneration of the Board of Management and the Supervisory Board	(1.621.200.000)	(1.429.200.000)
Profit used to calculate basic/diluted earnings per share	336.530.287.030	288.608.604.702
The average number of ordinary shares outstanding during the year	74.670.891	74.670.891
Basic/diluted earnings per share	4.507	3.865

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10b. Other information

There are no transactions over the common share or potential common share from the balance sheet date until the date of these Consolidated Financial Statements.

11. Operating costs by factors

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	1.400.226.333.530	1.041.119.049.701
Labor	382.556.176.089	345.480.253.266
Depreciation/(amortization) of fixed assets	142.536.047.428	111.185.872.631
Expenses for external services	403.548.150.739	296.299.252.727
Other expenses	108.899.651.202	105.634.239.864
Total	<u>2.437.766.358.988</u>	<u>1.899.718.668.189</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

During the year, the Group has the following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
Offsetting interest on loans given against loan interest expenses	4.821.344.802	9.537.942.945
Acquisition of fixed assets by receiving financial leases	30.693.454.580	55.227.688.222

As of the balance sheet date, balances relevant to acquisition, construction of fixed assets and other non-current assets are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
- Payables for acquisition of fixed assets	4.729.426.540	94.464.601
- Prepayments for acquisition of fixed assets	3.159.977.266	1.678.112.146

VIII. OTHER DISCLOSURES

1. Contingent liabilities

The Corporation made retroactive adjustments for the land rental and the fines for late payment with respect to the land lot at No. 02 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City accumulated to the year 2024 according to Notices of Tan Phu District Tax Department (see Note No. VIII.5).

On the other hand, the Corporation received the Notice No. 14447/TB-CTTPHCM dated 09 September 2024 of Ho Chi Minh City Tax Department regarding the land leasing rate applicable to the period from 10 April 2017 to 31 December 2024, and the Notice No. 10874/STNMT-QLĐ dated 21 October 2024 of the Department of Natural Resources and Environment regarding the land areas and the land use purposes, i.e. non-agricultural land for production facilities and commercial, service land, corresponding to each land area and location of land leased by the Corporation. At the reporting time, the Corporation has not received the official notice on the payable land rental from Ho Chi Minh City Tax Department and not recorded this amount in the Consolidated Financial Statements. Therefore, the land rental and fines for late payment incurred thereof, which were presented in the Consolidated Financial Statements, might be subject to changes when the tax authority officially determines the amount imposed on the Corporation.

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2. Operating leased assets

As at the balance sheet date, the total minimum rental to be collected in the future from irrevocable operating leases is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
1 year or less	66.582.964.325	56.445.363.656
More than 1 year to 5 years	242.571.534.374	178.406.423.965
More than 5 years	258.904.260.687	232.989.913.420
Total	568.058.759.386	467.841.701.041

3. Transactions and balances with related parties

Related parties of the Group include the key managers, individuals related to the key managers and other related parties.

3a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management, the Supervisory Board and the Executive Board. The individuals related to the key managers are their close family members.

Transactions with the key managers and their related individuals

The Group has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

Balances with the key managers and their related individuals

The Group has no balances with the key managers and their related individuals.

Remuneration of the Board of Management, the Supervisory Board, salary of the General Director and other managers

	<u>Current year</u>	<u>Previous year</u>
The Board of Management and the Supervisory Board	904.000.000	756.000.000
The General Director and other managers	7.261.022.582	6.100.022.860
Total	8.165.022.582	6.856.022.860

3b. Transactions and balances with other related parties

Other related parties of the Group include:

<u>Other related parties</u>	<u>Relationship</u>
Vietnam National Textile and Garment Group	Parent Company
Coats Phong Phu Limited Liability Company	Joint venture
HUD Saigon Housing and Urban Development Investment Joint Associate Stock Company	
Dalat Garment Joint-Stock Company	Associate
Phong Phu - Daewon - Thu Duc Housing Development Corporation	Associate
Phong Phu Trading & Investment Promotion Corporation	Associate
Dong Nam Textile Joint Stock Company	Associate
Nha Trang Textile & Garment Joint Stock Company	Associate
Phong Phu International Joint Stock Company	Related company of the key managers
Hoa Tho Textile - Garment Joint Stock Corporation	Subsidiary of Vietnam National Textile and Garment Group
Hoa Tho Fashion Joint Stock Company	Subsidiary of Vietnam National Textile and Garment Group
Towel Woven Joint Stock Company - Nam Dinh Textile Garment	Subsidiary of Vietnam National Textile and Garment Group
Lien Phuong Textile & Garment Corporation	Associate of Vietnam National Textile and Garment Group
Garment 10 Corporation - Joint Stock Company	Associate of Vietnam National Textile and Garment Group

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Other related parties	Relationship	
Viet Thang Corporation	Associate of Vietnam National Textile and Garment Group	
Nha Be Garment Corporation - Joint Stock Company	Related company of the key managers	
<i>Transactions with other related parties</i>		
Apart from transactions with joint ventures and associates and sales of goods and service provisions to Vietnam National Textile and Garment Group presented in Notes No. V.2b and sales of goods and provisions of services to other related parties, which are not associated as presented in Note VI.1b, the Group also has other following transactions with other related parties:		
	Current year	Previous year
<i>Vietnam National Textile and Garment Group</i>		
Dividends payable	93.521.990.000	149.635.184.000
Loan interest payable	38.531.336.966	36.299.798.884
Purchase of goods	3.253.607.972	492.083.000
Service charges	487.303.727	298.860.606
Sales of finished goods	504.074.719	595.881.080
<i>Hue Textile Garment Joint Stock Company</i>		
Purchase of goods	3.074.557.138	-
<i>Vinatex - Hong Linh Joint Stock Company</i>		
Purchase of goods	820.331.194	-
<i>Phong Phu International Joint Stock Company</i>		
Dividends shared	7.200.000.000	-
Sales of finished goods	64.857.425	-
<i>Phong Phu International Joint Stock Company</i>		
Dividends shared	7.200.000.000	7.200.000.000
Sales of finished goods	64.857.425	-
Dividends payable	2.509.687.500	4.015.500.000
<i>Vinatex Nam Dinh City Development Joint Stock Company</i>		
Dividends shared	1.651.686.000	-
Purchase of materials, finished goods	85.902.532	-
<i>Phuoc Loc Joint Stock Company</i>		
Dividends shared	900.000.000	-
<i>Phuoc Loc Joint Stock Company</i>		
Dividends shared	900.000.000	900.000.000
Purchase of goods, materials	85.312.333.418	64.397.577.810
Dividends payable	64.487.500	103.180.000
<i>Hoa Tho Textile - Garment Joint Stock Corporation</i>		
Sales of finished goods	1.827.280	-
Service provisions	2.251.027.071	-
<i>Hoa Tho Fashion Joint Stock Company</i>		
Sales of finished goods	5.050.140	-
<i>Lien Phuong Textile & Garment Corporation</i>		
Sales of finished goods	23.009.195	-
<i>Garment 10 Corporation - Joint Stock Company</i>		
Sales of finished goods	458.335	-

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	<u>Current year</u>	<u>Previous year</u>
<i>Viet Thang Corporation</i>		
Purchase of materials, finished goods	12.166.600	-
<i>Nha Be Garment Corporation - Joint Stock Company</i>		
Purchase of materials, finished goods	293.292.000	-

The prices of goods and services provided to other related parties are mutually agreed prices. The purchases of goods and services from other related parties are done at the agreed prices.

Balances with other related parties

Balances with other related parties are presented in Notes No. V.3, V.4, V.15, V.16, V.21 and V.22.

The receivables from other related parties are not secured and will be paid in cash. There is no allowance for doubtful debt made for receivables from other related parties.

4. Segment information

The main segment report is business segment because the Group's business activities are organized and managed on the basis of the features of products and services provided by the Group. Each segment is a business unit which provides different products and serves different markets.

4a. Information on business segments

The Group's principal business activities:

- Manufacturing: manufacturing and consuming cloth, towels, sewing thread, embroidery thread, garments and fashion clothes.
- Others: trading fibers and other materials, providing kindergarten education service, trading real estate and performing industrial projects, resorts and complex buildings.

Segment information according to the business segment of the Group is presented in the attached Appendix 05.

4b. Information on geographical segment

All of the plants of the Corporation are in Vietnam. The Corporation's market is mainly in Vietnam, other Asian countries (Korea, Japan, Hong Kong, China, Thailand) and other European and American countries.

Details of net external revenue in respect of geographical segment based on the location of customers are as follows:

	<u>Current year</u>	<u>Previous year</u>
Vietnam	1.371.060.609.639	1.052.169.398.396
Other countries	861.616.821.043	697.211.998.241
Total	2.232.677.430.682	1.749.381.396.637

5. Comparative figures

The Group made retroactive adjustments for the land rental and the fines for late payment with respect to the land lot at No. 02 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City accumulated to the year 2024 according to Notices No. 09/TB-CCTTP dated 20 March 2024, No. 253487/TB-TB07-CCTTP dated 09 April 2024 and No. 14791/TB-CCTTP dated 30 October 2024 of Tan Phu District Tax Department regarding the land rental payable by the year 2024.

Effects of these retroactive adjustments on comparative figures in the Consolidated Financial Statements are as follows:

	<u>Code</u>	<u>Unadjusted figures</u>	<u>Adjustments</u>	<u>Adjusted figures</u>
<i>Consolidated Balance Sheet</i>				
Taxes and other obligations to the State Budget	313	108.305.519.548	44.776.178.674	153.081.698.222
Retained earnings	421	497.856.654.005	(44.776.178.674)	453.080.475.331

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6. Subsequent events

There are no other material subsequent events which are required adjustments or disclosures in the Consolidated Financial Statements.

7. Other disclosures


On 22 June 2019, the People's Committee of Ho Chi Minh City issued the Decision No. 2649/QĐ-UBND on revoking and repealing the Decision No. 6077/QĐ-UBND dated 17 November 2017 of the People's Committee of Ho Chi Minh City approving the transfer of Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City between Saigon Agriculture Incorporation and the Corporation. Accordingly, the two parties shall return and transfer whatever they agreed upon and commit not to making any complaints afterwards; notify the relevant parties of the cancellation of the contract for transferring Residence Area Project in Quarter 4, Phuoc Long B Ward, Thu Duc City; handle any issues arising with organizations and individuals related to cancellation of the project transfer contracts previously signed by the two parties according to the applicable laws.

On 18 December 2021, the People's Court of Ho Chi Minh City made the judgement on the case in the first trial and appeal trial on 08, 09 and 15 June 2022 and released the judgement on violation of Saigon Agriculture Incorporation regarding the transfer of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City as at the transfer date for an amount of VND 348.779.619.741. Accordingly, the Group made provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined at the transfer date for an amount of VND 62.473.188.366 (see Note No. V.23).


As of the balance sheet date, work-in-process of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City is VND 187.766.564.464 (see Note No. V.7).

To date, the Business Cooperation Contract No. 52/HĐHT-TCT dated 31 October 2008 between Saigon Agriculture Incorporation and the Corporation has not been declared as void or invalid and the concerned parties have not requested for termination, cancellation or change of capital contribution and profit distribution rates. The two parties also agreed to hire an independent surveyor to make the field survey, evaluation and conclusion on the construction of the entire project and audit the project's financial position as a basis for handing over the project to Saigon Agriculture Incorporation to work as an investor. The parties will thereby propose to the People's Committee of Ho Chi Minh City to handle relationship with customers who have signed contracts on sales of house to be formed in the future.

On 17 January 2024, the Corporation handed over assets of the Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City to Saigon Agriculture Incorporation. Currently, the Corporation and Saigon Agriculture Incorporation are taking the next steps and waiting for guidance on resolving issues (if any) arising from the cancellation of the project transfer contract between the involved parties in accordance with the applicable laws.


Tran Lan Anh
Preparer


Le Thi Tu Anh
Chief Accountant


Duong Khue
General Director



Ho Chi Minh City, 29 March 2025

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 01: Increase/(decrease) in tangible fixed assets

Unit: VND

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	677.853.624.328	1.563.669.884.123	48.598.813.213	11.395.766.453	2.301.518.088.117
Acquisition during the year	-	3.016.155.981	-	1.448.000.000	4.464.155.981
Completed construction	-	8.730.066.944	6.774.677.573	-	15.504.744.517
Purchase of financial leased assets	-	13.717.632.454	-	-	13.717.632.454
Liquidation, disposal	-	(47.835.909.548)	(50.750.000)	-	(47.886.659.548)
Ending balance	677.853.624.328	1.541.297.829.954	55.322.740.786	12.843.766.453	2.287.317.961.521
<i>In which:</i>					
Assets fully depreciated but still in use	61.432.353.928	421.887.442.213	10.028.955.736	3.776.420.883	497.125.172.760
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	241.993.998.440	978.677.119.384	29.247.412.660	6.555.658.512	1.256.474.188.996
Depreciation during the year	27.516.296.055	98.567.899.254	4.155.136.445	603.601.797	130.842.933.551
Purchase of financial leased assets	-	3.919.311.638	-	-	3.919.311.638
Liquidation, disposal	-	(46.446.675.058)	(50.750.000)	-	(46.497.425.058)
Ending balance	269.510.294.495	1.034.717.655.218	33.351.799.105	7.159.260.309	1.344.739.009.127
Carrying values					
Beginning balance	435.859.625.888	584.992.764.739	19.351.400.553	4.840.107.941	1.045.043.899.121
Ending balance	408.343.329.833	506.580.174.736	21.970.941.681	5.684.506.144	942.578.952.394
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-


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Ho Chi Minh City, 29 March 2025

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 02: Taxes and other obligations to the State Budget

Unit: VND

	Beginning balance		Increases during the year		Ending balance	
	Payables	Receivables	Amount payable	Amount paid	Payables	Receivables
VAT on local sales	382.180.812	-	17.148.210.867	(15.129.827.539)	2.400.564.140	-
VAT on imports	-	-	3.733.099.933	(3.733.099.933)	-	-
Export-import duties	-	-	448.545.364	(448.545.364)	-	-
Corporate income tax	1.029.362.446	207.769.015	3.482.742.573	(3.874.434.936)	637.670.083	207.769.015
Personal income tax	4.713.948.795	-	27.652.025.401	(30.898.101.092)	1.467.873.104	-
Natural resource tax	12.833.450	-	256.092.210	(255.092.050)	13.833.610	-
Property tax, land rental	121.208.629.036	-	82.527.983.102	(203.135.311.534)	601.300.604	-
Withholding tax	-	-	90.877.326	(90.877.326)	-	-
License duty	-	-	20.500.000	(20.500.000)	-	-
Other fees, legal fees, and other duties	25.734.743.683	-	3.571.405.126	(29.306.148.809)	-	-
Total	153.081.698.222	207.769.015	138.931.481.902	(286.891.938.583)	5.121.241.541	207.769.015



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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 03: Increase/(decrease) in loans and financial leases

Unit: VND

Details of increase/(decrease) in short-term loans and financial leases during the year are as follows:

	Beginning balance	Increases during the year	Transfer from long-term loans	Increase due to principal-added interest	Exchange difference	Amount repaid during the year	Ending balance
<i>Current portions of long-term loans payable to related parties</i>	14.250.503.699	-	16.407.437.552	-	603.856.628	(14.822.960.557)	16.438.837.322
<i>Short-term loans and financial leases payable to other organizations and individuals</i>	388.333.294.688	1.030.647.552.792	6.896.028.470	1.953.641.444	9.186.963	(1.070.016.203.444)	357.823.500.913
Short-term loans from banks	305.420.464.768	1.029.614.052.792	-	-	9.186.963	(1.053.973.164.563)	281.070.539.960
Short-term loans from individuals	70.632.567.208	1.033.500.000	-	1.953.641.444	-	(2.146.747.699)	71.472.960.953
Current portions of long-term loans	1.920.000.000	-	-	-	-	(1.920.000.000)	-
Current portions of financial leases	10.360.262.712	-	6.896.028.470	-	-	(11.976.291.182)	5.280.000.000
Total	402.583.798.387	1.030.647.552.792	23.303.466.022	1.953.641.444	613.043.591	(1.084.839.164.001)	374.262.338.235

Details of increase/(decrease) in long-term loans and financial leases during the year are as follows:

	Beginning balance	Increases during the year	Transfer to current portions of long-term loans	Increase due to principal-added interest	Exchange difference	Amount repaid during the year	Ending balance
<i>Long-term loans from related parties</i>	509.186.881.533	-	(16.407.437.552)	-	23.551.334.181	-	516.330.778.162
<i>Long-term loans and financial leases payable to other organizations and individuals</i>	51.877.333.602	37.018.858.714	(6.896.028.470)	-	-	(10.542.362.923)	71.457.800.923
Long-term loans from banks	-	6.325.404.134	-	-	-	-	6.325.404.134
Financial leases	51.877.333.602	30.693.454.580	(6.896.028.470)	-	-	(10.542.362.923)	65.132.396.789
Total	561.064.215.135	37.018.858.714	(23.303.466.022)	-	23.551.334.181	(10.542.362.923)	587.788.579.085

Ho Chi Minh City, 29 March 2025


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Preparer

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Chief AccountantDuong Khue
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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 04: Statement of changes in owner's equity

Unit: VND

	Owner's capital	Share premiums	Investment and development fund	Retained earnings	Benefits of non-controlling shareholders	Total
Beginning balance of the previous year	746.708.910.000	32.368.276.001	440.807.767.529	539.772.159.353	24.115.880.832	1.783.772.993.715
Retroactive adjustments for land rental and fines for late payment of land rental	-	-	-	(44.776.178.674)	-	(44.776.178.674)
Beginning balance of the previous year	746.708.910.000	32.368.276.001	440.807.767.529	494.995.980.679	24.115.880.832	1.738.996.815.041
Increase due to business combination in the previous year	-	-	-	-	100.000.000	100.000.000
Profit in the previous year	-	-	-	311.362.639.035	5.380.495.747	316.743.134.782
Appropriation for funds in the previous year	-	-	30.216.167.734	(53.801.048.706)	2.099.709.279	(21.485.171.693)
Dividend distribution in the previous year	-	-	-	(298.683.564.000)	(1.280.000.000)	(299.963.564.000)
Compensation to the Board of Management, the Supervisory Board and the Executive Board	-	-	-	(1.024.913.537)	(85.753.129)	(1.110.666.666)
Taxes collected in arrears	-	-	-	(385.439.896)	-	(385.439.896)
Other adjustments	-	-	-	616.821.756	-	616.821.756
Ending balance of the previous year	<u>746.708.910.000</u>	<u>32.368.276.001</u>	<u>471.023.935.263</u>	<u>453.080.475.331</u>	<u>30.330.332.729</u>	<u>1.733.511.929.324</u>
Beginning balance of the current year	746.708.910.000	32.368.276.001	471.023.935.263	453.080.475.331	30.330.332.729	1.733.511.929.324
Increase due to business combination during the year	-	-	-	-	260.000.000	260.000.000
Profit in the current year	-	-	-	373.773.464.227	6.767.510.622	380.540.974.849
Appropriation for funds in the current year	-	-	41.372.355.446	(84.366.956.515)	1.960.417.986	(41.034.183.083)
Distribution of dividends, advance of dividends in the current year	-	-	-	(186.677.227.500)	(1.600.000.000)	(188.277.227.500)
Compensation to the Board of Management, the Supervisory Board and the Executive Board	-	-	-	(1.011.644.444)	(70.800.000)	(1.082.444.444)
Other adjustments	-	-	-	99.702.194	-	99.702.194
Ending balance of the current year	<u>746.708.910.000</u>	<u>32.368.276.001</u>	<u>512.396.290.709</u>	<u>554.897.813.293</u>	<u>37.647.461.337</u>	<u>1.884.018.751.340</u>


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General Director



Ho Chi Minh City, 29 March 2025

PHONG PHU CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 05: Segment information according to the business segments

Unit: VND

Information on the Group's financial performance, fixed assets, other non-current assets and values of remarkable non-cash expenses according to the business segments is as follows:

	Manufacturing	Trading, servicing, others	Deductions	Total
Current year				
Net external revenue	1.818.795.174.098	413.882.256.584	-	2.232.677.430.682
Net inter-segment revenue	-	-	-	-
Total net revenue	1.818.795.174.098	413.882.256.584	-	2.232.677.430.682
Segment financial performance	331.546.130.969	97.603.327.112	-	429.149.458.081
Expenses not attributable to segments				(346.595.333.255)
Operating profit				82.554.124.826
Financial income				48.549.589.677
Financial expenses				(103.476.344.756)
Gain or loss in joint ventures, associates	341.513.811.828	10.493.129.467		352.006.941.295
Other income				8.896.409.854
Other expenses				(4.507.003.474)
Current income tax				(3.482.742.573)
Deferred income tax				-
Profit after tax				380.540.974.849
Total expenses on acquisition of fixed assets and other non-current assets	10.740.312.556	-	-	10.740.312.556
Total depreciation/(amortization) and allocation of long-term prepayments	49.987.252.764	24.284.007.858	-	74.271.260.622
Total remarkable non-cash expenses (except depreciation/(amortization) and allocation of long-term prepayments)	(773.310.189)	(31.250.000)	-	(804.560.189)

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 05: Segment information according to the business segments (cont.)

	Manufacturing	Trading, servicing, others	Deductions	Total
Previous year				
Net external revenue	1.462.257.148.901	287.124.247.736	-	1.749.381.396.637
Net inter-segment revenue	-	-	-	-
Total net revenue	1.462.257.148.901	287.124.247.736	-	1.749.381.396.637
Segment financial performance	294.892.858.259	52.851.103.516	-	347.743.961.775
Expenses not attributable to segments				(298.884.422.121)
Operating profit				48.859.539.654
Financial income				43.283.518.454
Financial expenses				(87.735.875.529)
Gain or loss in joint ventures, associates	335.271.498.326	(15.003.383.748)		320.268.114.578
Other income				124.867.296
Other expenses				(5.065.667.225)
Current income tax				(2.991.362.446)
Deferred income tax				-
Profit after tax				316.743.134.782
Total expenses on acquisition of fixed assets and other non-current assets	111.529.411.172	6.150.147.545	-	117.679.558.717
Total depreciation/(amortization) and allocation of long-term prepayments	96.835.431.134	43.912.189.655	-	140.747.620.789
Total remarkable non-cash expenses (except depreciation/(amortization) and allocation of long-term prepayments)	4.158.590.671	500.000.000	-	4.658.590.671



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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 05: Segment information according to the business segments (cont.)

The Group's assets and liabilities according to the business segments are as follows:

	Manufacturing	Trading, servicing, others	Deductions	Total
Ending balance				
Direct assets of segment	1.272.685.899.604	843.240.847.843	-	2.115.926.747.447
Allocated assets	4.502.496.148	73.192.157	-	4.575.688.305
Unallocated assets				1.458.549.617.583
Total assets				3.579.052.053.335
Direct liabilities of segment	709.525.970.547	697.823.893.360	-	1.407.349.863.907
Allocated liabilities	3.486.165.985	793.306.616	-	4.279.472.601
Unallocated liabilities				283.403.965.487
Total liabilities				1.695.033.301.995
Beginning balance				
Direct assets of segment	1.229.025.131.828	878.614.527.670	-	2.107.639.659.498
Allocated assets	230.707.224	392.314.288	-	623.021.512
Unallocated assets				1.430.516.778.791
Total assets				3.538.779.459.801
Direct liabilities of segment	759.660.777.804	604.280.072.616	-	1.363.940.850.420
Allocated liabilities	766.156.304	221.346.493.881	-	222.112.650.185
Unallocated liabilities				219.214.029.872
Total liabilities				1.805.267.530.477


Tran Lan Anh
Preparer

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Ho Chi Minh City, 29 March 2025

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General Director