

Consolidated financial statements

VIET NAM HERBS AND FOODS JOINT STOCK COMPANY

For the fiscal year ended 31 December 2024  
(Audited)

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## **REPORT OF THE EXECUTIVE BOARD**

The Executive Board of Viet Nam Herbs and Foods Joint Stock Company. ("the Company") presents its report and the Company's consolidated financial statements for the year ended 31 December 2024.

### **THE COMPANY**

Viet Nam Herbs and Foods Joint Stock Company is established and operated under the Business Registration Certificate No.0107409148 issued by Hanoi Department of Planning and Investment dated April 25, 2016 and amended for the seventh time on October 3, 2022

### **BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND AUDIT COMMITTEE**

Members of the Board of Directors who held office during the year and to the date of this report are:

|                     |          |
|---------------------|----------|
| Mr.Bui Tien Vinh    | Chairman |
| Mr.Tran Nhat Thanh  | Member   |
| Mr.Nguyen The Hung  | Member   |
| Mr.Nguyen Tai Duc   | Member   |
| Mr.Nguyen Dinh Cong | Member   |

The General Director who managed the Company during the year and as of the date of this report is Mr. Nguyen The Hung.

Members of the Audit Committee include:

|                     |                                 |
|---------------------|---------------------------------|
| Mr.Nguyen Dinh Cong | Chairman of the Audit Committee |
| Mr.Nguyen Tai Duc   | Member of the Audit Committee   |

### **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and up to the date of this consolidated financial report is Mr. Bui Tien Vinh – Chairman of the Board of Directors.

### **AUDITORS**

AASC Limited has taken the audit of the consolidated financial statements for the Company.

### **STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED CONSOLIDATED FINANCIAL STATEMENTS**

The Executive Board is responsible for the consolidated financial statements of each fiscal year which give a true and fair view of the financial position of the Company and the results of its operation and its cash flows for the year then ended. In preparing those consolidated financial statements, the Executive Board is required to:

- ▶ Establish and maintain an internal control system which is determined necessary by the Executive Board and those charged with governance to ensure the preparation and presentation of financial statements do not contain any material misstatement caused by errors or frauds;
- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Make judgments and estimates that are reasonable and prudent;
- ▶ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- ▶ Prepare and present the consolidated financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements;
- ▶ Prepare the consolidated financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Executive Board is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of Company and to ensure that the accounting records comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Board confirms that the accompanying consolidated financial statements of the Company for the year ended 31 December 2024 prepared by us, give a true and fair view of the financial position, results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated financial statements.

**Other commitments**

The Executive Board commits that the Company complies with Decree No. 155/2020/ND-CP dated 31/12/2020, detailing the implementation of certain provisions of the Securities Law. Furthermore, the Company has not violated any information disclosure obligations as stipulated in Circular No. 96/2020/TT-BTC dated 16/11/2020, issued by the Ministry of Finance, guiding information disclosure in the securities market, and Circular No. 68/2024/TT-BTC dated 18/09/2024, issued by the Ministry of Finance, amending and supplementing certain provisions of Circular No. 96/2020/TT-BTC.

On behalf of the Executive Board



**Bui Tien Vinh**  
Chairman

Hanoi, 27 March 2025

**INDEPENDENT AUDITORS' REPORT**

To: The Shareholders, the Board of Directors and the Executive Board  
Viet Nam Herbs and Foods Joint Stock Company

We have audited the accompanying consolidated financial statements of Viet Nam Herbs and Foods Joint Stock Company prepared on 27 March 2025, which comprise Consolidated statement of financial position as at 31 December 2024, Consolidated statement of income, Consolidated statement of cash flows and Notes to the Consolidated financial statements for the year then ended, as set out on pages 06 to 32.

*Executive Board's Responsibility*

The Executive Board is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards and System and comply with relevant statutory requirements and for such internal control as management determines necessary to enable the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these 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 standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

*Auditor's opinion*

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Viet Nam Herbs and Foods Joint Stock Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with statutory requirements related to preparation and presentation of the financial statements.

*Other issues*

The financial statements for the fiscal year ended 31 December 2023 of Viet Nam Herbs and Foods Joint Stock Company have been audited by the Auditor and UHY Auditing and Consulting Company Limited. The Auditor expressed an unqualified opinion on these financial statements as at 02 April 2024.



**Do Mạnh Cuong**  
Deputy General Director  
Registered Auditor No.  
0744-2023-002-1

*Hanoi, 27 March 2025*

A blue ink signature, likely of Tran Minh Duc, written in a cursive style.

**Tran Minh Duc**  
Auditor  
Registered Auditor No.  
4372-2022-002-1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

| Code       | ASSETS                                  | Note | 31/12/2024<br>VND      | 01/01/2024<br>VND      |
|------------|---|------|------------------------|------------------------|
| <b>100</b> | <b>A. CURRENT ASSETS</b>                |      | <b>294,361,869,513</b> | <b>357,285,370,485</b> |
| <b>110</b> | <b>I. Cash and cash equivalents</b>     |      | <b>686,704,641</b>     | <b>188,560,161</b>     |
| 111        | 1. Cash                                 | 4    | 686,704,641            | 188,560,161            |
| <b>130</b> | <b>II. Short-term receivables</b>       |      | <b>84,291,656,988</b>  | <b>146,527,087,540</b> |
| 131        | 1. Short-term trade receivables         | 5    | 9,101,330,623          | 6,756,095,400          |
| 132        | 2. Short-term advances to suppliers     | 6    | 14,390,326,365         | 12,270,992,140         |
| 136        | 3. Other short-term receivables         | 7    | 60,800,000,000         | 127,500,000,000        |
| <b>140</b> | <b>III. Inventories</b>                 |      | <b>208,885,308,977</b> | <b>210,418,828,967</b> |
| 141        | 1. Inventories                          | 8    | 208,885,308,977        | 210,418,828,967        |
| <b>150</b> | <b>IV. Other current assets</b>         |      | <b>498,198,907</b>     | <b>150,893,817</b>     |
| 151        | 1. Short-term prepaid expenses          | 9    | 302,824,367            | 28,115,012             |
| 152        | 2. VAT deductibles                      |      | 195,374,540            | 122,778,805            |
| <b>200</b> | <b>B. NON-CURRENT ASSETS</b>            |      | <b>199,748,722,133</b> | <b>55,158,635,617</b>  |
| <b>220</b> | <b>I. Fixed assets</b>                  |      | <b>199,237,776,659</b> | <b>54,944,265,325</b>  |
| 221        | 1. Tangible fixed assets                | 10   | 32,477,334,028         | 38,144,322,690         |
| 222        | - Cost                                  |      | 71,905,590,814         | 70,891,203,453         |
| 223        | - Accumulated depreciation              |      | (39,428,256,786)       | (32,746,880,763)       |
| 227        | 2. Intangible fixed assets              | 11   | 166,760,442,631        | 16,799,942,635         |
| 228        | - Cost                                  |      | 167,055,346,648        | 17,055,346,648         |
| 229        | - Accumulated amortisation              |      | (294,904,017)          | (255,404,013)          |
| <b>240</b> | <b>II. Long-term assets in progress</b> |      | <b>182,862,306</b>     | -                      |
| 242        | 1. Construction in-progress             |      | 182,862,306            | -                      |
| <b>260</b> | <b>III. Other non-current assets</b>    |      | <b>328,083,168</b>     | <b>214,370,292</b>     |
| 261        | 1. Long-term prepaid expenses           | 9    | 328,083,168            | 214,370,292            |
| <b>270</b> | <b>TOTAL ASSETS</b>                     |      | <b>494,110,591,646</b> | <b>412,444,006,102</b> |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*  
(continued)

| Code       | RESOURCES  | Note      | 31/12/2024             | 01/01/2024             |
|------------|--|-----------|------------------------|------------------------|
|            |  |           | VND                    | VND                    |
| <b>300</b> | <b>C. LIABILITIES</b>                            |           | <b>135,624,616,464</b> | <b>78,360,954,963</b>  |
| <b>310</b> | <b>I. Current liabilities</b>                    |           | <b>135,062,966,983</b> | <b>75,370,261,110</b>  |
| 311        | 1. Short-term trade payables                     | 12        | 2,224,760,796          | 2,629,898,589          |
| 312        | 2. Short-term advances from customers            |           | 105,544,158            | 6,247,939,221          |
| 313        | 3. Tax payables and statutory obligations        | 13        | 560,786,245            | 419,256,803            |
| 314        | 4. Payables to employees                         |           | 248,916,241            | 285,734,577            |
| 315        | 5. Short-term accrued expenses                   | 14        | 654,491,627            | 502,633,450            |
| 319        | 6. Other short-term payables                     |           | 6,600,004              | 40,313,748             |
| 320        | 7. Short-term loans and liabilities              | 15        | 131,261,867,912        | 65,244,484,722         |
| <b>330</b> | <b>II. Long-term liabilities</b>                 |           | <b>561,649,481</b>     | <b>2,990,693,853</b>   |
| 338        | 1. Long-term loans and liabilities               | 15        | 561,649,481            | 2,990,693,853          |
| <b>400</b> | <b>D. EQUITY</b>                                 |           | <b>358,485,975,182</b> | <b>334,083,051,139</b> |
| <b>410</b> | <b>I. Owners' equity</b>                         | <b>16</b> | <b>358,485,975,182</b> | <b>334,083,051,139</b> |
| 411        | 1. Contributed charter capital                   |           | 331,400,000,000        | 331,400,000,000        |
| 411a       | - Ordinary shares with voting right              |           | 331,400,000,000        | 331,400,000,000        |
| 412        | 2. Share premium                                 |           | (418,000,000)          | (418,000,000)          |
| 415        | 3. Treasury shares                               |           | (40,000)               | (40,000)               |
| 421        | 4. Retained earnings                             |           | 4,887,873,658          | 3,101,091,139          |
| 421a       | - Retained earnings accumulated to previous year |           | 3,380,227,382          | 1,473,812,354          |
| 421b       | - Undistributed profit of this year              |           | 1,507,646,276          | 1,627,278,785          |
| 429        | 5. Non-controlling interest                      |           | 22,616,141,524         | -                      |
| <b>440</b> | <b>TOTAL RESOURCES</b>                           |           | <b>494,110,591,646</b> | <b>412,444,006,102</b> |

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Nguyen Thi Mai Anh  
Preparer

*Pham*  
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Pham Thi Anh  
Chief Accountant

*Bui Tien Vinh*  
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Bui Tien Vinh  
Chairman

Hanoi, 27 March 2025

**CONSOLIDATED STATEMENT OF INCOME**  
Year 2024

| Code | ITEMS   | Note | Year 2024<br>VND     | Year 2023<br>VND     |
|------|---|------|----------------------|----------------------|
| 01   | 1. Gross revenue from goods sold and services rendered    | 18   | 436,107,350,423      | 314,426,485,476      |
| 02   | 2. Less deductions  | 18   | 5,480,887            | 11,078,383           |
| 10   | 3. Net revenue from goods sold and services rendered      | 18   | 436,101,869,536      | 314,415,407,093      |
| 11   | 4. Cost of goods sold and services rendered               | 19   | 420,326,804,920      | 301,639,925,379      |
| 20   | 5. Gross profit from goods sold and services rendered     |      | 15,775,064,616       | 12,775,481,714       |
| 21   | 6. Financial income                                       | 20   | 281,269,036          | 175,868,996          |
| 22   | 7. Financial expenses                                     | 21   | 6,987,988,974        | 4,937,164,982        |
| 23   | <i>In which: Interest expense</i>                         |      | 6,724,508,142        | 4,814,586,836        |
| 25   | 8. Selling expenses                                       | 22   | 2,585,370,588        | 2,327,083,884        |
| 26   | 9. General administrative expenses                        | 23   | 4,365,567,100        | 3,575,286,156        |
| 30   | 10. Operating profit                                      |      | 2,117,406,990        | 2,111,815,688        |
| 31   | 11. Other income  |      | 386,382,008          | 33,000               |
| 32   | 12. Other expenses  |      | 168,602,444          | 69,485,285           |
| 40   | 13. Other profit  |      | 217,779,564          | (69,452,285)         |
| 50   | 14. Accounting profit before tax                          |      | 2,335,186,554        | 2,042,363,403        |
| 51   | 15. Current corporate income tax                          | 24   | 401,446,402          | 415,084,618          |
| 52   | 16. Deferred corporate income tax                         |      | -                    | -                    |
| 60   | 17. Net profit after tax                                  |      | <u>1,933,740,152</u> | <u>1,627,278,785</u> |
| 61   | Profit after tax attributable to owners of the parent     |      | 1,884,016,989        | 1,627,278,785        |
| 62   | Profit after tax attributable to non-controlling interest |      | 49,723,163           | -                    |
| 70   | 18. EPS   | 25   | 57                   | 49                   |

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Nguyen Thi Mai Anh  
Preparer

*Pham*  
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Pham Thi Anh  
Chief Accountant

*Bui Tien Vinh*  
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Bui Tien Vinh  
Chairman



Hanoi, 27 March 2025

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year 2024  
(Indirect method)

| Code | ITEMS  | Note | Year 2024<br>VND        | Year 2023<br>VND         |
|------|--|------|-------------------------|--------------------------|
|      | <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |      |                         |                          |
| 01   | <b>1. Profit before tax</b>  |      | <b>2,335,186,554</b>    | <b>2,042,363,403</b>     |
|      | <b>2. Adjustments for:</b>   |      |                         |                          |
| 02   | Depreciation and amortization  |      | 6,333,678,701           | 6,882,554,417            |
| 03   | Provisions   |      | -                       | (559,631,008)            |
| 04   | (Gains) on exchange differences at the year-end                              |      | (27,437,052)            | (52,392,753)             |
| 05   | (Gains) from investment activities   |      | (2,217,942)             | (2,833,931)              |
| 06   | Interest expense   |      | 6,724,508,142           | 4,814,586,836            |
| 08   | <b>3. Profit from operating activities before changes in working capital</b> |      | <b>15,363,718,403</b>   | <b>13,124,646,964</b>    |
| 09   | (Increase) in receivables  |      | (3,632,974,691)         | (2,564,098,038)          |
| 10   | Decrease in inventories  |      | 10,617,900,155          | 92,130,544,057           |
| 11   | Increase/(Decrease) in payables (excluding interest payables/CIT payables)   |      | (15,908,376,122)        | 4,109,050,653            |
| 12   | (Increase)/Decrease in prepaid expenses                                      |      | (341,502,659)           | 39,635,680               |
| 14   | Interest paid  |      | (6,681,150,179)         | (4,765,495,936)          |
| 15   | Corporate income tax paid  |      | (527,524,826)           | (979,062,808)            |
| 20   | <b>Net cash inflows/(outflows) from operating activities</b>                 |      | <b>(1,109,909,919)</b>  | <b>101,095,220,572</b>   |
|      | <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |      |                         |                          |
| 21   | 1. Purchase of fixed assets and other long-term assets                       |      | (952,897,816)           | (211,188,637)            |
| 23   | 3. Loans granted, purchases of debt instruments of other entities            |      | -                       | (127,500,000,000)        |
| 25   | 5. Investment in other entities  |      | (184,890,188,596)       | -                        |
| 26   | 6. Proceeds from divestment in other entities                                |      | 127,500,000,000         | -                        |
| 27   | 7. Interest, dividends and profit received                                   |      | 2,217,942               | 2,833,931                |
| 30   | <b>Net cash outflow from investing activities</b>                            |      | <b>(58,340,868,470)</b> | <b>(127,708,354,706)</b> |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year 2024  
(Indirect method)  
(Continued)

| Code   | ITEMS   | Note | Year 2024<br>VND      | Year 2023<br>VND      |
|--|---|------|-----------------------|-----------------------|
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b> |   |      |                       |                       |
| 33   | 3. Proceeds from borrowings                               |      | 271,751,343,414       | 112,397,721,650       |
| 34   | 4. Repayment of borrowings                                |      | (211,803,397,544)     | (85,739,198,472)      |
| 40   | <b>Net cash inflow from financing activities</b>          |      | <b>59,947,945,870</b> | <b>26,658,523,178</b> |
| 50   | <b>Net cash flows in the year</b>                         |      | <b>497,167,481</b>    | <b>45,389,044</b>     |
| 60   | <b>Cash and cash equivalents at beginning of the year</b> |      | <b>188,560,161</b>    | <b>145,124,624</b>    |
| 61   | Impact of exchange differences                            |      | 976,999               | (1,953,507)           |
| 70   | <b>Cash and equivalents at the year-end</b>               | 4    | <b>686,704,641</b>    | <b>188,560,161</b>    |

  
**Nguyen Thi Mai Anh**  
Preparer

  
**Pham Thi Anh**  
Chief Accountant

  
**Bui Tien Vinh**  
Chairman



Hanoi, 27 March 2025

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
Year 2024

**1. General information**

**Form of ownership**

Viet Nam Herbs and Foods Joint Stock Company is established under the Business Registration Certificate of Joint Stock Company No. 0107409148 dated 25 April 2016 issued by Hanoi Department of Planning and Investment, the most recent change was the 7th on 3 October 2022

The Company's head office is located at No. 277 Van Xuan Street, Ha Mo Commune, Dan Phuong District, Hanoi City.

The Company's charter capital is VND 331,400,000,000 equivalent to 33,140,000 shares, with the par value of VND 10,000 per share.

The total number of employees of the Company as at 31 December 2024 is 23 people (as at 01 January 2024: 29 people).

**Business field and business activities**

The principal activities of the Company are:

- Exporting and trading raw agricultural and forestry products;
- Producing healthy food.

**The Company's operation in the year that affects the Consolidated Financial Statements:**

During the year, the Company has completed the transaction to purchase shares of Yen Bai Herbs and Foods Joint Stock Company, obtaining control and establishing a parent-subsiary relationship as at 31 May 2024 (Details in Note 3).

Driven by the recovery and gradual stabilization of the export market, along with the expansion and appropriate adjustments in management policies, the Company's commercial revenue increased by 30% compared to the previous year. However, the cost of commercial goods also rose due to input price fluctuations. Additionally, the lack of emphasis on the production of herbal beverages resulted in no significant change in gross profit, leading to relatively stable overall profitability for the Company.

**The Company's structure**

The Company has the subsidiary consolidated in the consolidated financial statements as at 31 December 2024 and its detailed information is presented in Note 3.

**2. Accounting system and accounting policy**

**2.1 Accounting period and monetary currency unit**

The annual accounting period commences from the 1<sup>st</sup> January and ends as at the 31<sup>st</sup> December. The Company maintains its functional currency in Vietnam Dong ("VND").

**2.2 Accounting Standards and Accounting system**

*Accounting System*

The Company applies Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular No. 200/2014/TT-

BTC and Circular No. 202/2014/TT-BTC providing guidance on the method of preparation and presentation of consolidated financial statements.

*Statement of compliance with Vietnamese standards and accounting system*

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Consolidated financial statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

### **2.3 Basis for the preparation of the Consolidated Financial Statements**

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control for the fiscal year ended 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Company. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Company and its subsidiaries.

The operating results of subsidiaries acquired or disposed during the period are included in the Consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

***Non-controlling interests***

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not held by owners.

### **2.4 Accounting estimates**

The preparation of Consolidated financial statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Consolidated financial statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimate time to allocate prepaid expenses;
- Estimated income tax;

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

**2.5 Foreign currency transactions**

Transactions in currencies other than the accounting currency of the Company during the fiscal year are recorded at actual rate of exchange ruling at transaction dates.

Actual exchange rates for year-end revaluations of monetary items denominated in foreign currencies are determined by at the balance sheet date under the following principles:

- ▶ Accounts classified as assets are revaluated at buying exchange rates of commercial banks where the Company regularly conducts transactions;
- ▶ Cash deposited at bank are revaluated at buying exchange rates of commercial bank where the Company opens such foreign bank accounts;
- ▶ Accounts classified as liabilities are revaluated at selling exchange rates of commercial banks where the Company regularly conducts transactions.

All exchange differences arising from foreign currency transaction in the year and from revaluation of remaining foreign currency monetary at the end of the year shall be recorded into the financial income or expense in the fiscal year.

**2.6 Cash**

Cash comprises cash on hand, demand deposits.

**2.7 Business combination and goodwill**

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the acquisition date.

The goodwill or interest from a cheap purchase is defined as the difference between the cost of the business combination and acquirer's interest in the net fair value of the identifiable subsidiary assets at the acquisition date held by Parent. Cheap purchase interest will be recognized in the consolidated income statement. Goodwill is allocated to costs by the straight-line method for an estimated useful period of 10 years. Periodically the Company will assess goodwill losses at the subsidiary, if there is evidence that the loss of goodwill is greater than the annual allocation, the allocation shall be based on the loss of goodwill in the period of arising.

**2.8 Receivables**

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables are classified as short-term and long-term in the consolidated financial statements based on the remaining maturity of the receivables at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating possible losses.

**2.9 Inventories**

At initial recognition, inventories are stated at the cost comprising all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory less the estimated costs to complete the product and the estimated costs to sell the product.

Cost of inventories is calculated by weighted average method.  
Inventories are recorded by perpetual method.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

## **2.10 Fixed assets**

Fixed assets (tangible and intangible) are stated at its historical cost. During the using time, fixed assets are recorded at cost, accumulated depreciation and amortization and carrying amount.

### *Subsequent measurement after initial recognition*

If these costs augment future economic benefits obtained from the use of fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Consolidated statement of Income in the year in which the costs are incurred.

Depreciation and amortization are provided on a straight-line basis so as to write off the cost of each asset evenly over its expected useful lives as follows:

|   |               |
|---|---------------|
| ▶ Buildings and structures              | 10 - 22 years |
| ▶ Machinery, equipment                  | 05 - 10 years |
| ▶ Vehicles and transportation equipment | 06 - 08 years |
| ▶ Office equipment and furniture        | 04 - 07 years |
| ▶ Software                              | 06 years      |
| ▶ Other intangible fixed assets         | 05 years      |

The Company's land use rights are for long-term use, so depreciation is not calculated.

## **2.11 Construction in progress**

Construction in progress includes fixed assets which is being purchased and constructed as at the end of the fiscal year and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

## **2.12 Operating lease**

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

## **2.13 Prepaid expenses**

Expenses relate to income statement in more than 01 fiscal year are recognised as prepaid expenses and are allocated into income statement of following fiscal years.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Prepaid expenses of the Company include:

- ▶ Tools and supplies include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recording as fixed assets according to current regulations. The cost of tools and equipment is amortized on a straight-line basis over the period from 06 to 36 months.
- ▶ Other prepaid expenses are comprised of insurance fees, assessment and certification fees, and prepaid renovation and repair costs, which are recognized at historical cost and amortized on a straight-line basis over their useful lives ranging from 03 to 36 months.

## **2.14 Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the consolidated consolidated financial statements according to their remaining terms at the reporting date.

## **2.15 Borrowings**

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings denominated in foreign currency, they shall be recorded in details in terms of types of currency.

## **2.16 Borrowing costs**

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

## **2.17 Accrued expenses**

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as 13th month salary expenses, interest expenses, auditing expenses, etc. which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

## **2.18 Owner's equity**

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Treasury shares bought before the effective date of the Securities Law 2019 (01 January 2021) are shares issued by the Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares bought after 01 January 2021 will be cancelled and adjusted to reduce equity.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

## **2.19 Revenue**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns.

The following specific recognition conditions must also be met when recognizing revenue:

*Revenue from sale of goods:*

- ▶ The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- ▶ The company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

*Revenue from rendering of services:*

- ▶ The percentage of completion of the transaction at the Balance sheet date can be measured reliably

*Financial income*

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

- ▶ It is probable that economic benefits associated with transaction will flow to the Company; and
- ▶ The amount of revenue can be measured reliably.

Dividend income shall be recognised when the Company's right to receive dividend is established.

## **2.20 Revenue deductions**

Revenue deductions from sales of goods and rendering of and services provisions arising in the yearperiod include: Sales returns.

Sales returns incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring year. In case goods and services are sold in the previous years, but until the next year they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Consolidated financial statements, it is then recorded as a decrease in revenue on the Consolidated financial statements of the reporting year (the previous year); and if it is incurred after the issuance of Consolidated financial statements, it is recorded as a decrease in revenue of incurring year (the next year).

## **2.21 Cost of goods sold and service rendered**

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the period.

## **2.22 Financial expenses**

Items recorded into financial expenses consist of:

- ▶ Expenses or losses relating to financial investment activities;
- ▶ Expenses of capital borrowing;
- ▶ Provision for impairment of trading securities, provision for investment losses in other entities, losses incurred from foreign currency sales, and foreign exchange losses, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

## **2.23 Corporate income tax**

### *a. Current corporate income tax*

Current corporate income tax ("CIT") is determined based on taxable income during the year and current CIT rate.

### *b. Current corporate income tax rate*

During the fiscal year ended 31 December 2024, the Company was subject to a corporate income tax rate of 20% for business activities generating taxable income.

## **2.24 Earnings per share**

Basic earnings per share (EPS) is calculated by dividing the profit or loss after tax attributable to the Company's common shareholders (after adjustments for the allocation to the Bonus and Welfare Fund and the Executive Bonus Fund) by the weighted average number of common shares outstanding during the year.

## **2.25 Related parties**

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- ▶ Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- ▶ Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- ▶ Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

## **2.26 Segment information**

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other ones.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgements about the Company as a whole.

### 3. Business combination

#### *Acquisiting Yenbai Herbs and Foods Joint Stock Company*

On 31 May 2024, the Company has successfully acquired 85% of shares and its voting right as of 31 May 2024 of Yenbai Herbs and Foods Joint Stock Company ("YHF") for the business expansion purpose, a joint stock company established under Vietnamese Enterprise Law under Business Registration Certificate No. 5200938674 issued by Planning and Investment Department of Yen Bai Province dated 02 August 2023 and its amended certificates. The principal activities of YHF are exporting and trading of agricultural products.

The fair value of identifiable assets and liabilities of YHF at the combination date, and goodwill incurred from business combination are as follows:

| <b>Content</b>   | <b>Fair value determind<br/>at purchase date</b><br>VND |
|--|---|
| <b>Assets</b>  |   |
| Cash   | 3,359,811,404   |
| Receivables  | 786,937,491   |
| Inventories  | 9,084,380,165   |
| Other short-term assets  | 36,380,403  |
| Tangible fixed assets (net)  | 124,173,387   |
| Intangible fixed assets (net)  | 150,000,000,000   |
| Construction in progress   | 109,351,851   |
| Other long-term assets   | 10,539,169  |
| <b>Total Assets</b>  | <b>163,511,573,870</b>                                  |
| <br>   |   |
| Short-term liabilities   | 13,068,784,796  |
| <b>Total liabilities</b>   | <b>13,068,784,796</b>                                   |
| <br>   |   |
| <b>Total net assets</b>  | <b>150,442,789,074</b>                                  |
| <br>   |   |
| Non-controlling interest   | 22,566,418,361  |
| <b>Total net assets equivalent to Company's interest (85%)</b>                           | <b>127,876,370,713</b>                                  |
| <br>   |   |
| <b>Total cost of this investment</b>   | <b>127,500,000,000</b>                                  |
| In which   |   |
| Fair value of investment 85% owner equity at the date of containing control (31/05/2024) | 127,500,000,000   |
| <br>   |   |
| <b>Gain on bargain purchase arising from business combination</b>                        | <b>(376,370,713)</b>                                    |

**4. Cash**

|              | 31/12/2024         | 01/01/2024         |
|--------------|--------------------|--------------------|
|              | VND                | VND                |
| Cash on hand | 190,055,765        | 93,151,462         |
| Cash in bank | 496,648,876        | 95,408,699         |
|              | <b>686,704,641</b> | <b>188,560,161</b> |

**5. Short-term trade receivables**

|  | 31/12/2024           | 01/01/2024           |
|--|----------------------|----------------------|
|  | VND                  | VND                  |
| Tuan Minh Trading And Production Company Limited | 6,601,892,336        | 1,902,000,000        |
| Pragast Overseas                                 | -                    | 1,779,684,000        |
| K Mahendrakumar Impex LLP                        | 985,920,000          | 912,316,428          |
| Apex Dai Viet Joint Stock Company                | 691,669,500          | -                    |
| Tech - Vina JSC                                  | 452,390,580          | -                    |
| Dhanalakshmi enterprises                         | -                    | 878,124,800          |
| Manh Cuong Agricultural Processing Group JSC     | 35,000,000           | 887,161,000          |
| M/S Pak Afghan Impex                             | -                    | 297,755,300          |
| Others   | 334,458,207          | 99,053,872           |
|  | <b>9,101,330,623</b> | <b>6,756,095,400</b> |

**6. Short-term advances to suppliers**

|   | 31/12/2024            | 01/01/2024            |
|---|-----------------------|-----------------------|
|   | VND                   | VND                   |
| Do Van Tue (*)  | 5,015,866,000         | -                     |
| Vietnam Staraniseed Cassia Manufacturing And<br>Exporting JSC (*) | 3,379,200,000         | -                     |
| Ngo Van Thi (*)   | 1,970,000,000         | -                     |
| Vu Van Chuong (*)   | 1,767,000,000         | 6,123,000,000         |
| Do Hong Tuan (*)  | 827,040,000           | 6,037,850,000         |
| NHT., JSC   | 757,374,982           | -                     |
| Others  | 673,845,383           | 110,142,140           |
|   | <b>14,390,326,365</b> | <b>12,270,992,140</b> |

(\*) The prepayment is for the purchase of agricultural products from the Company's suppliers.

**7. Other short-term receivables**

|  | <u>31/12/2024</u>            | <u>01/01/2024</u>             |
|--|------------------------------|-------------------------------|
|  | VND                          | VND                           |
| Cong Tam General Agricultural and Forestry Service Cooperative (1) | -                            | 127,500,000,000               |
| Lao Cai Forest Industry Development JSC (2)                        | 60,750,000,000               | -                             |
| Profit Station Corporate Advisory Company Limited                  | 50,000,000                   | -                             |
|  | <u><b>60,800,000,000</b></u> | <u><b>127,500,000,000</b></u> |

(1) Under the Business Cooperation Contract dated 25 July 2023, between Cong Tam General Agriculture and Forestry Services Cooperative and the Company which has been liquidated and subsequently converted into an investments in subsidiary (Note 3).

(2) A deposit of 50% of the purchase price for 486,000 shares in Lao Cai Forest Industry Development JSC, pursuant to the Agreement No. 01/2024/WEWELL-LCF CNCP dated June 27, 2024, regarding the acquisition of shares from their founding shareholders.

**8. Inventories**

|                 | <u>31/12/2024</u>             | <u>01/01/2024</u>             |
|-----------------|-------------------------------|-------------------------------|
|                 | VND                           | VND                           |
| Raw material    | 9,985,304,695                 | 11,133,552,787                |
| Tools, supplies | 164,302,812                   | 147,897,196                   |
| Finished goods  | 2,948,440,121                 | 4,116,214,231                 |
| Merchandise     | 195,787,261,349               | 195,021,164,753               |
|                 | <u><b>208,885,308,977</b></u> | <u><b>210,418,828,967</b></u> |

**9. Prepaid expenses**

|                               | <u>31/12/2024</u>         | <u>01/01/2024</u>         |
|-------------------------------|---------------------------|---------------------------|
|                               | VND                       | VND                       |
| <b>a) Short-term</b>          |                           |                           |
| Dispatched tools and supplies | 14,637,350                | 9,733,334                 |
| Others                        | 288,187,017               | 18,381,678                |
|                               | <u><b>302,824,367</b></u> | <u><b>28,115,012</b></u>  |
| <b>b) Long-term</b>           |                           |                           |
| Dispatched tools and supplies | 222,975,590               | 193,181,819               |
| Others                        | 105,107,578               | 21,188,473                |
|                               | <u><b>328,083,168</b></u> | <u><b>214,370,292</b></u> |

**10. Tangible fixed assets**

|                                    | Buildings<br>VND      | Machinery<br>and equipment<br>VND | Vehicles<br>equipment<br>VND | Management<br>equipment<br>VND | Total<br>VND          |
|------------------------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------|-----------------------|
| <b>Historical cost</b>             |                       |                                   |                              |                                |                       |
| As at 01/01/2024                   | 12,104,989,844        | 53,533,324,722                    | 3,429,023,637                | 1,823,865,250                  | 70,891,203,453        |
| Increase from business combination | -                     | 135,000,000                       | -                            | -                              | 135,000,000           |
| Purchase                           | 475,708,406           | 184,383,501                       | -                            | 219,295,454                    | 879,387,361           |
| <b>As at 31/12/2024</b>            | <b>12,580,698,250</b> | <b>53,852,708,223</b>             | <b>3,429,023,637</b>         | <b>2,043,160,704</b>           | <b>71,905,590,814</b> |
| <b>Accumulated depreciation</b>    |                       |                                   |                              |                                |                       |
| As at 01/01/2024                   | 3,093,672,852         | 26,065,416,894                    | 2,294,964,609                | 1,292,826,408                  | 32,746,880,763        |
| Depreciation                       | 675,860,319           | 5,407,646,460                     | 312,657,504                  | 274,385,127                    | 6,670,549,410         |
| Increase from business combination | -                     | 10,826,613                        | -                            | -                              | 10,826,613            |
| <b>As at 31/12/2024</b>            | <b>3,769,533,171</b>  | <b>31,483,889,967</b>             | <b>2,607,622,113</b>         | <b>1,567,211,535</b>           | <b>39,428,256,786</b> |
| <b>Net carrying amount</b>         |                       |                                   |                              |                                |                       |
| As at 01/01/2024                   | 9,011,316,992         | 27,467,907,828                    | 1,134,059,028                | 531,038,842                    | 38,144,322,690        |
| <b>As at 31/12/2024</b>            | <b>8,811,165,079</b>  | <b>22,368,818,256</b>             | <b>821,401,524</b>           | <b>475,949,169</b>             | <b>32,477,334,028</b> |

- ▶ Net carrying amount of tangible fixed assets used as collateral for loans at as 31 December 2024: VND 23,924,390,632  
( As at 01 January 2024: VND 26,544,003,256)
- ▶ Original cost of fully depreciated tangible fixed assets still in use at as 31 December 2024: VND 1,658,737,638

## 11. Intangible fixed assets

|                                 | Land use right (*)<br>VND | Computer<br>software<br>VND | Others<br>VND     | Total<br>VND           |
|---------------------------------|---------------------------|-----------------------------|-------------------|------------------------|
| <b>Historical cost</b>          |                           |                             |                   |                        |
| As at 01/01/2024                | 16,752,727,600            | 255,000,000                 | 47,619,048        | 17,055,346,648         |
| Business consolidation          | 150,000,000,000           | -                           | -                 | 150,000,000,000        |
| <b>As at 31/12/2024</b>         | <b>166,752,727,600</b>    | <b>255,000,000</b>          | <b>47,619,048</b> | <b>167,055,346,648</b> |
| <b>Accumulated amortization</b> |                           |                             |                   |                        |
| As at 01/01/2024                | -                         | 207,784,965                 | 47,619,048        | 255,404,013            |
| Amortization                    | -                         | 39,500,004                  | -                 | 39,500,004             |
| <b>As at 31/12/2024</b>         | <b>-</b>                  | <b>247,284,969</b>          | <b>47,619,048</b> | <b>294,904,017</b>     |
| <b>Net carrying amount</b>      |                           |                             |                   |                        |
| As at 01/01/2024                | 16,752,727,600            | 47,215,035                  | -                 | 16,799,942,635         |
| <b>As at 31/12/2024</b>         | <b>166,752,727,600</b>    | <b>7,715,031</b>            | <b>-</b>          | <b>166,760,442,631</b> |

- ▶ Net carrying amount of intangible fixed assets used as collateral for loans at as 31 December 2024: VND 166,752,727,600 ( As at 01 January 2024: VND 16,752,727,600)
- ▶ Original cost of fully amortised intangible fixed assets still in use at as 31 December 2024: VND 92,619,048.

(\*) Land use rights of the Company (details in Note 15) includes:

- Land use rights of the Parent company: Includes 5 adjacent plots of land at the address of Ma Tua Area, Cluster 3, Ha Mo Commune, Dan Phuong District, Hanoi City (now No. 277, Van Xuan Street, Ha Mo Commune, Dan Phuong District, Hanoi City) with a total area of 499.4 m2. The land use rights are currently being used by the Company for warehouses, drying yards to support business operations as well as collateral for bank loans.
- Land use rights of the Subsidiary: Includes 20 land plots (under the Subsidiary's ownership) located at Cua Ngoi hamlet, Hoang Thang commune, Van Yen district, Yen Bai province (now Quyet Hung hamlet, Xuan Ai commune, Van Yen district, Yen Bai province), with a total area of 14,322.1 m2. The land use rights are currently being used by the Company for warehouses, drying yards to support business operations as well as collateral for bank loans.

## 12. Short-term trade payables

|  | 31/12/2024<br>VND    | 01/01/2024<br>VND    |
|--|----------------------|----------------------|
| <b>Other parties</b>                           |                      |                      |
| Tran Van Cuong                                 | 1,319,000,000        | -                    |
| BP International Logistics Co., Ltd.           | 491,833,431          | 714,674,539          |
| Do Thi Duyen                                   | 89,132,400           | -                    |
| Vien Son Agricultural and Forestry Cooperative | -                    | 1,580,000,000        |
| SAOVIET PT., JSC                               | -                    | 180,012,680          |
| Others   | 324,794,965          | 155,211,370          |
|  | <b>2,224,760,796</b> | <b>2,629,898,589</b> |

### 13. Tax payables and statutory obligations

|                      | 01/01/2024         |                      | Movement           |                    | 31/12/2024         |
|----------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
|                      | Payables           | Business Combination | Actual payment     | Payables           | Payables           |
|                      | VND                |                      | VND                | VND                | VND                |
| Corporate income tax | 415,084,618        | 112,440,208          | 527,524,826        | 498,680,872        | 498,680,872        |
| Personal income tax  | 4,172,185          | -                    | 35,539,188         | 61,225,093         | 29,858,090         |
| Other payables       | -                  | 32,400               | 45,738,305         | 77,953,188         | 32,247,283         |
|                      | <b>419,256,803</b> | <b>112,472,608</b>   | <b>608,802,319</b> | <b>637,859,153</b> | <b>560,786,245</b> |

The Company's tax finalization is subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### 14. Short-term accrued expenses

|                           | 31/12/2024         | 01/01/2024         |
|---------------------------|--------------------|--------------------|
|                           | VND                | VND                |
| Interest expense          | 162,220,740        | 118,862,777        |
| 13th month salary expense | 342,270,887        | 383,770,673        |
| Professional expense      | 150,000,000        | -                  |
|                           | <b>654,491,627</b> | <b>502,633,450</b> |

**15. Loans and liabilities**

|   |     | 01/01/2024            | Movement             |                        | 31/12/2024             |                        |
|---|-----|-----------------------|----------------------|------------------------|------------------------|------------------------|
|   |     | Book value            | Business combination | Increase               | Decrease               | Book value             |
|   |     | VND                   | VND                  | VND                    | VND                    | VND                    |
| <b>a) Short-term</b>  |     |                       |                      |                        |                        |                        |
| <b>Short-term loans</b>   |     |                       |                      |                        |                        |                        |
| Military Commercial Joint Stock Bank- My Dinh Branch                      | (1) | 64,480,303,350        | 3,499,600,000        | 271,892,136,362        | 208,750,584,172        | 131,121,455,540        |
| Vietnam Export Import Commercial Joint Stock Bank- Hanoi Branch           | (2) | 47,609,960,000        | -                    | 145,797,671,500        | 125,048,901,500        | 68,358,730,000         |
| Orient Commercial Joint Stock Bank- Hanoi Branch                          | (3) | 5,875,543,350         | -                    | 17,141,067,108         | 17,835,644,598         | 5,180,965,860          |
| Vietnam Prosperity Joint Stock Commercial Bank - Thang Long Branch        | (3) | 10,994,800,000        | -                    | 9,094,646,000          | 20,089,446,000         | -                      |
| Vietnam Maritime Commercial Joint Stock Bank – Long Bien Branch           | (4) | -                     | -                    | 66,702,351,754         | 30,120,592,074         | 36,581,759,680         |
| Vietnam Maritime Commercial Joint Stock Bank – Long Bien Branch           | (4) | -                     | -                    | 14,000,000,000         | -                      | 14,000,000,000         |
| Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Yen Bai Branch | (4) | -                     | -                    | 7,000,000,000          | -                      | 7,000,000,000          |
|   |     | -                     | 3,499,600,000        | 12,156,400,000         | 15,656,000,000         | -                      |
| <b>Proportion of long-term loans</b>                                      |     |                       |                      |                        |                        |                        |
| Shinhan Bank Vietnam Limited  | (5) | 764,181,372           | -                    | 140,412,372            | 764,181,372            | 140,412,372            |
| Orient Commercial Joint Stock Bank - Hanoi Branch                         |     | 140,412,372           | -                    | 140,412,372            | 140,412,372            | 140,412,372            |
|   |     | 623,769,000           | -                    | -                      | 623,769,000            | -                      |
|   |     | <b>65,244,484,722</b> | <b>3,499,600,000</b> | <b>272,032,548,734</b> | <b>209,514,765,544</b> | <b>131,261,867,912</b> |
| <b>b) Long-term</b>   |     |                       |                      |                        |                        |                        |
| Shinhan Bank Vietnam Limited  | (5) | 842,474,225           | -                    | -                      | 140,412,372            | 702,061,853            |
| Orient Commercial Joint Stock Bank- Hanoi Branch                          |     | 2,912,401,000         | -                    | -                      | 2,912,401,000          | -                      |
|   |     | <b>3,754,875,225</b>  | <b>-</b>             | <b>-</b>               | <b>3,052,813,372</b>   | <b>702,061,853</b>     |
| Maturity within next 12 months  |     | 764,181,372           |                      | 140,412,372            | 764,181,372            | 140,412,372            |
| Maturity after 12 months  |     | <b>2,990,693,853</b>  |                      |                        |                        | <b>561,649,481</b>     |

Detailed information relating to borrowings

| Ref | Loan Contract                                     | Date       | Credit limit  | Interest   | Term  | Purpose   |
|-----|---|------------|---|--|---|---|
| (1) | 224007.24.833.6059556.TD                          | 26/06/2024 | Credit limit of VND 70,000,000,000<br>Discount limit other of LC documents VND 10,000,000,000 | Specified on each specific Debt Acknowledgement Agreement. | 12 months for credit limit<br>Not exceed 7 months for each Debt Acknowledgment                                      | Supplement working capital for cinnamon anise commercial activities   |
| (2) | 1001-LAV-240137209                                | 21/11/2024 | VND 4,900,000,000   | Specified on each specific Debt Acknowledgement Agreement. | 12 months for credit limit<br>Not exceed 6 months for each Debt Acknowledgment                                      | Supplement working capital to serve business activities of cinnamon, anise, and all kinds of agricultural products        |
| (3) | 150124 - 3562014 - 01- SME                        | 18/01/2024 | VND 50,000,000,000  | Specified on each specific Debt Acknowledgement Agreement. | 12 months for credit limit<br>Not exceed 7 months for each Debt Acknowledgment                                      | Supplement working capital to serve agricultural product production and trading activities and herbal beverage production |
| (4) | 112-00030539.20113/2024/HĐTD                      | 5/11/2024  | VND 14,000,000,000  | Specified on each specific Debt Acknowledgement Agreement. | 12 months   | Working capital financing for business operations/Issuance of guarantees/Letters of Credit (LC) for the enterprise        |
|     | 112-00030546.20110/2024HĐTD                       | 5/11/2024  | VND 7,000,000,000   | Specified on each specific Debt Acknowledgement Agreement. | 12 months   | Working capital financing for business operations/Issuance of guarantees/Letters of Credit (LC) for the enterprise        |
| (5) | SHBVN/CG/HĐTD/2021/CON GTYCPDUOCLIEU VATHUCPHAMVN | 11/10/2021 | VND 1,130,000,000   | 7.4 %/ year  | 96 months<br>Principal repayment divided equally according to the term, interest calculated on the actual principal | Pay for car purchases under Contract No. 1032/T10/2021/HDMB-KIAPVD  |

Loans from banks are secured by the mortgage contract with the bank and fully registered as secured transactions

**Viet Nam Herbs and Foods Joint Stock Company**

No. 277 Van Xuan Street, Ha Mo Commune, Dan Phuong District, Ha Noi City

Consolidated financial statements

For the year ended 31/12/2024

## Detailed information related to collateral

| Ref | Loan contract   | Collateral   | Guarantor                                      | Guarantor's relationship with the Company                                    |
|-----|---|--|--|--|
| (1) | 224007.24.833.6059556.TD                                | The Company's Herbal drink production line and Land use rights                       |  |  |
|     |   | Car and land use rights  | Mrs. Bui Thi Hong Dung                         | Wife of the Chairman   |
|     |   | Land use rights  | Mr. Bui Van Vien and Mrs. Nguyen Thi Ty        | Cousin of the Chairman   |
|     |   | Land use rights  | Mr. Nguyen Dinh Khanh and Mrs. Nguyen Thi Chuy | Cousin of the Chairman   |
|     |   | Land use rights  | Mrs. Nguyen Thi Thuy                           | Cousin of the Chairman   |
| (2) | 1001-LAV-230071036                                      | Land use rights  | Mr. Bui Tien Quoc and Mrs. Nguyen Thi Mui      | Parents of the Chairman  |
| (3) | 150124 - 3562014 - 01- SME                              | The Company 's car.<br>Secured by collateral received after loan settlement with OCB |  |  |
| (4) | 112-00030539.20113/<br>2024/HĐTD                        | Land use rights owned by Yen Bai Herbs and Foods Joint Stock Company.                | Mr. Tran Van Kien                              | Chairman cum General Director of Yen Bai Herbs and Foods Joint Stock Company |
|     | 112-00030546.20110/<br>2024HĐTD                         |  |  |  |
| (5) | SHBVN/CG/HĐTD/2021/CONGT<br>YCPDUOCLIEU<br>VATHUCPHAMVN | Vehicles formed from the loan  |  |  |

16. Owner's equity

a) Increase and decrease in owner's equity

|  | Contributed<br>charter capital<br>VND | Share premium<br>VND | Treasury shares<br>VND | Retained<br>earnings<br>VND | Non-controlling<br>interest<br>VND | Total<br>VND    |
|--|---------------------------------------|----------------------|------------------------|-----------------------------|------------------------------------|-----------------|
| As at 01/01/2023                               | 331,400,000,000                       | (418,000,000)        | (40,000)               | 1,473,812,354               | -                                  | 332,455,772,354 |
| Profit of the previous year                    | -                                     | -                    | -                      | 1,627,278,785               | -                                  | 1,627,278,785   |
| As at 01/01/2024                               | 331,400,000,000                       | (418,000,000)        | (40,000)               | 3,101,091,139               | -                                  | 334,083,051,139 |
| Profit of the current year                     | -                                     | -                    | -                      | 1,884,016,989               | 49,723,163                         | 1,933,740,152   |
| Business combination                           | -                                     | -                    | -                      | -                           | 22,566,418,361                     | 22,566,418,361  |
| Additional CIT payment<br>after tax inspection | -                                     | -                    | -                      | (97,234,470)                | -                                  | (97,234,470)    |
| As at 31/12/2024                               | 331,400,000,000                       | (418,000,000)        | (40,000)               | 4,887,873,658               | 22,616,141,524                     | 358,485,975,182 |

According to Resolution No. 2606/2024/NQ-ĐHĐCĐ/VHE dated 26 June 2024 of the General Meeting of Shareholders, the shareholders approved the 2024 profit distribution plan, under which no dividends will be paid for 2023, and the retained earnings will be reinvested for the following year.

b) Details of owner's charter capital

|                   | 31/12/2024      |       | 01/01/2024      |       |
|-------------------|-----------------|-------|-----------------|-------|
|                   | VND             | %     | VND             | %     |
| Mr. Bui Tien Vinh | 24,200,000,000  | 7.30  | 24,200,000,000  | 7.30  |
| Others            | 307,200,000,000 | 92.70 | 307,200,000,000 | 92.70 |
|                   | 331,400,000,000 | 100   | 331,400,000,000 | 100   |

**c) Transactions related to capital with owners and distribution of dividends, profit sharing**

|   | Year 2024<br>VND       | Year 2023<br>VND       |
|---|------------------------|------------------------|
| <b>Owner's contributed capital:</b>             |                        |                        |
| - At the beginning of the year                  | 331,400,000,000        | 331,400,000,000        |
| - At the end of the year                        | <u>331,400,000,000</u> | <u>331,400,000,000</u> |
| <b>Distributed dividends and profit:</b>        |                        |                        |
| - Dividend payable at the beginning of the year | -                      | -                      |
| - Dividend payable in the year                  | -                      | -                      |
| - Dividend paid in the year                     | -                      | -                      |
| <b>Dividend payable at the end of the year</b>  | <u>-</u>               | <u>-</u>               |

**d) Shares**

|   | 31/12/2024 | 01/01/2024 |
|---|------------|------------|
| Quantity of Authorized issuing shares         | 33,140,000 | 33,140,000 |
| Quantity of issued shares                     | 33,140,000 | 33,140,000 |
| - Common shares                               | 33,140,000 | 33,140,000 |
| Number of repurchased shares                  | 4          | 4          |
| - Common shares                               | 4          | 4          |
| Quantity of outstanding shares in circulation | 33,139,996 | 33,139,996 |
| - Common shares                               | 33,139,996 | 33,139,996 |
| Par value per share (VND)                     | 10,000     | 10,000     |

**17. Off statement of financial position items**

**a) Operating leased assets**

The Company has entered into warehouse lease agreements as follows:

- ▶ The Company signed Warehouse Borrowing Contract No. 01/2023/HDTK-BQS dated 2 January 2023 with Mr. Bui Quang Sac (Elder Brother of the Chairman) at address No. 277 Van Xuan Street, Ha Mo Commune, Dan Phuong District, Hanoi City, for the purpose of using it as a warehouse to store raw materials and goods from 2 January 2023 to 31 December 2027. Warehouse area: 12,000 m2.
- ▶ The Company signed Warehouse Borrowing Contract No. 01/2022/HDTK-VNH dated 1 July 2022 with Hong Ca General Services Cooperative at Dong Dinh Hamlet, Hong Ca Commune, Tran Yen District, Yen Bai Province, for the purpose of using it as a warehouse to store raw materials from 1 July 2022 to 31 December 2030. Warehouse area: 4,000 m2.

**b) Foreign currencies**

|     | 31/12/2024 | 01/01/2024 |
|-----|------------|------------|
| USD | 250.91     | 291.19     |

**18. Net revenue from goods sold and services rendered**

|                                     | Year 2024<br>VND       | Year 2023<br>VND       |
|-------------------------------------|------------------------|------------------------|
| <b>Revenue</b>                      | <b>436,107,350,423</b> | <b>314,426,485,476</b> |
| Revenue from sale of goods          | 432,171,489,482        | 304,937,305,860        |
| Revenue from sale of finished goods | 3,435,180,011          | 9,294,232,816          |
| Revenue from processing services    | 500,680,930            | 194,946,800            |
| <b>Deductible items</b>             | <b>5,480,887</b>       | <b>11,078,383</b>      |
| Returned goods                      | 5,480,887              | 11,078,383             |
|                                     | <b>436,101,869,536</b> | <b>314,415,407,093</b> |

**19. Cost of goods sold and services rendered**

|  | Year 2024<br>VND       | Year 2023<br>VND       |
|--|------------------------|------------------------|
| Cost of goods sold   | 409,851,573,696        | 290,104,722,224        |
| Cost of finished goods   | 3,724,316,186          | 6,429,996,174          |
| Cost of processing services  | 119,272,640            | 151,132,820            |
| Costs due to not reaching capacity calculated directly into cost of goods sold | 6,631,642,398          | 5,513,705,169          |
| Provision for devaluation of inventories                                       | -                      | (559,631,008)          |
|  | <b>420,326,804,920</b> | <b>301,639,925,379</b> |

**20. Financial income**

|   | Year 2024<br>VND   | Year 2023<br>VND   |
|---|--------------------|--------------------|
| Interest on savings                         | 2,217,942          | 2,833,931          |
| Gain on exchange difference in the year     | 251,614,042        | 120,642,312        |
| Gain on exchange difference at the year-end | 27,437,052         | 52,392,753         |
|   | <b>281,269,036</b> | <b>175,868,996</b> |

**21. Financial expenses**

|   | Year 2024<br>VND     | Year 2023<br>VND     |
|---|----------------------|----------------------|
| Interest expense                        | 6,724,508,142        | 4,814,586,836        |
| Loss on exchange difference in the year | 197,183,593          | 122,578,146          |
| Others                                  | 66,297,239           | -                    |
|   | <b>6,987,988,974</b> | <b>4,937,164,982</b> |

## 22. Selling expenses

|                            | Year 2024            | Year 2023            |
|----------------------------|----------------------|----------------------|
|                            | VND                  | VND                  |
| Labour expenses            | 1,138,022,733        | 909,955,053          |
| Raw materials              | 192,447,677          | 118,702,712          |
| Offices tools and supplies | 13,284,178           | -                    |
| Depreciation expenses      | 37,275,624           | 34,266,588           |
| External services          | 1,203,840,376        | 1,229,696,212        |
| Others by cash             | 500,000              | 34,463,319           |
|                            | <b>2,585,370,588</b> | <b>2,327,083,884</b> |

## 23. General administrative expenses

|                         | Year 2024            | Year 2023            |
|-------------------------|----------------------|----------------------|
|                         | VND                  | VND                  |
| Labour expenses         | 1,835,304,849        | 1,352,419,785        |
| Raw materials           | -                    | 850,204              |
| Offices supplies        | 61,810,009           | 61,712,350           |
| Depreciation expenses   | 411,244,662          | 600,447,220          |
| Taxes, fees and charges | 153,892,294          | 81,303,447           |
| External services       | 1,595,093,734        | 1,353,780,026        |
| Others by cash          | 308,221,552          | 124,773,124          |
|                         | <b>4,365,567,100</b> | <b>3,575,286,156</b> |

## 24. Current corporate income tax

|  | Year 2024          | Year 2023          |
|--|--------------------|--------------------|
|  | VND                | VND                |
| Current corporate income tax expense in parent company | 319,096,216        | 415,084,618        |
| Current corporate income tax expense in subsidiary     | 82,350,186         | -                  |
|  | <b>401,446,402</b> | <b>415,084,618</b> |

## 25. Basic earnings per shares

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

|  | Year 2024     | Year 2023     |
|--|---------------|---------------|
|  | VND           | VND           |
| Net profit after tax   | 1,884,016,989 | 1,627,278,785 |
| Profit distributed to common shares                                    | 1,884,016,989 | 1,627,278,785 |
| Average number of outstanding common shares in circulation in the year | 33,139,996    | 33,139,996    |
| <b>Basic earnings per share</b>  | <b>57</b>     | <b>49</b>     |

The Company has not planned to allocate the Bonus and Welfare Fund or the Executive Bonus Fund from after-tax profit at the time of preparing the consolidated financial statements. As at 31 December 2024, the Company had no potentially dilutive shares.

## 26. Operating expenses by nature

The Company primarily operates in the commercial sector, while manufacturing activities are insignificant. Therefore, the Company does not prepare expense disclosures by nature. Instead, expenses are presented by function and are detailed in Note 22 – Selling expenses and Note 23 – General administrative expenses.

## 27. Subsequent events

There have been no significant events occurring after the fiscal year, which would require adjustments or disclosures to be made in the Consolidated financial statements.

## 28. Segment reporting

### a) Business Segment

|  | Agricultural sales<br>VND | Herbal<br>beverage sales<br>VND | Other<br>revenue<br>VND | Total<br>VND           |
|--|---------------------------|---------------------------------|-------------------------|------------------------|
| Net revenue from external sales        | 432,166,008,595           | 3,435,180,011                   | 500,680,930             | 436,101,869,536        |
| <b>Operating profit</b>                | <b>22,314,434,899</b>     | <b>(6,920,778,573)</b>          | <b>381,408,290</b>      | <b>15,775,064,616</b>  |
| Total cost of fixed asset acquisitions | -                         | -                               | -                       | 952,897,816            |
| Unallocated assets                     |                           |                                 |                         | 494,110,591,646        |
| <b>Total assets</b>                    | <b>-</b>                  | <b>-</b>                        | <b>-</b>                | <b>494,110,591,646</b> |
| Unallocated liabilities                |                           |                                 |                         | 135,624,616,464        |
| <b>Total liabilities</b>               | <b>-</b>                  | <b>-</b>                        | <b>-</b>                | <b>135,624,616,464</b> |

### b) By geographic area

The Company's revenue is mainly generated in the Northern region, so the Company does not present segment reporting by geographic area.

## 29. Transactions and balances with related parties

List and relation between related parties and the Company are as follows:

| <u>Related parties</u> | <u>Relationship</u> |
|------------------------|---------------------|
| Mr. Bui Tien Vinh      | Chairman            |
| Mrs. Bui Thi Hong Dung | Chairman's wife     |
| Mrs. Nguyen Thi Mui    | Chairman's mother   |
| Mr. Bui Quang Sac      | Chairman's brother  |

Transactions with other related parties are as follows:

|  |  | Year 2024<br>VND   | Year 2023<br>VND   |
|--|--|--------------------|--------------------|
| <b>Remuneration paid to the Company's key people during the year</b> |  |                    |                    |
| Mr. Bui Tien Vinh  | Chairman   | 196,106,540        | 180,035,795        |
| Mr. Tran Nhat Thanh  | Member of the Board of Directors                                     | 170,403,216        | 157,084,594        |
| Mr. Nguyen The Hung  | Member of the Board of Directors cum General Director                | 239,477,371        | 228,428,487        |
| Mr. Nguyen Dinh Cong (*)   | Member of the Board of Directors cum Chairman of the Audit Committee | -                  | -                  |
| Mr Nguyen Tai Duc (*)  | Member of the Board of Directors cum Member of the Audit Committee   | -                  | -                  |
|  |  | <b>605,987,127</b> | <b>565,548,876</b> |

(\*) The Company does not pay remuneration to these people

In addition to the above related parties transactions, other related parties did not have any transactions during the period and have no balance at the end of the accounting period with the Company.

### 30. Corresponding figures

During the year, Yenbai Herbs and Foods Joint Stock Company (YHF) became a subsidiary of the Company so this is the first time the Company prepares the consolidated financial statements. Consequently, balances and transactions may not be comparable. The corresponding figures are those from the financial statements for the fiscal year ended 31 December 2023, audited by UHY Auditing and Consulting Co., Ltd.

### 31. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Executive Board and authorized for issuance on 27 March 2025.

  
**Nguyen Thi Mai Anh**  
Preparer

Hanoi, 27 March 2025

  
**Pham Thi Anh**  
Chief Accountant

  
**Bui Tien Vinh**  
Chairman

