

HUU NGHI FOOD JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Hanoi, March 2025



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HUU NGHI FOOD JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management of Huu Nghi Food Joint Stock Company, (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2024.

THE BOARD OF DIRECTORS AND MANAGEMENT

The members of the Board of Directors and Management of the Company who executed during the year ended 31 December 2024 and to the date of this report are as follows:

Board of Directors

Mr. Trinh Trung Hieu	Chairman - Legal representative
Mrs. Le Thi Lan Anh	Vice Chairwoman (Resigned on 11/09/2024)
Mr. Bui Tuan Anh	Member
Mr. Nguyen Thai Duong	Member
Mr. Ta Nguyen Hai	Member (Appointed on 11/09/2024)
Ms. Nguyen Thi Hai Lan	Member (Appointed on 11/09/2024)
Mr. Le Viet Anh	Member (Resigned on 11/09/2024)

Board of Management

Mr. Ta Nguyen Hai	Deputy Director
Mr. Tran Ngoc Chung	Deputy Director (Appointed on 05/08/2024)
Mr. Le Viet Anh	Deputy Director (Resigned on 01/02/2025)

THE MANAGEMENT'S RESPONSIBILITY

The Management of the Company is responsible for preparing the financial statements for the fiscal year ended 31 December 2024, which give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the year. In preparing these financial statements, the Board of Management is required to:

- Comply with Vietnamese Accounting Standards, Corporate Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the financial statements;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Design and implement an effective internal control system for proper preparation and presentation of the financial statements to minimize errors and frauds; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements. The Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Management confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors and Management,



Trinh Trung Hieu 
Chairman of the Board of Directors - Legal representative
Hanoi, 17 March 2025

No: 70/2025/BCKT-AVI-TC1

INDEPENDENT AUDITORS' REPORT

To: **Shareholders**
The Board of Directors and Management
Huu Nghi Food Joint Stock Company

We have audited the accompanying financial statements of Huu Nghi Food Joint Stock Company ("the Company") prepared on 17 March 2025 as set out from page 04 to 32, which comprise the accompanying balance sheet as at 31 December 2024 and the related statements of income, the cash flows for the year then ended and the notes to financial statements.

Management's Responsibility

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The selected procedures depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.

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

Auditors' Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material aspects, the financial position of the 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 Vietnamese Accounting Standards, Corporate Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the financial statements.



Vu Binh Minh
General Director
Certificate of audit practice registration
No. 0034-2023-055-1

For and on behalf of
ANVIET AUDITING COMPANY LIMITED
Hanoi, 17th March 2025


Doan Thu Hang
Auditor
Certificate of audit practice registration
No. 1396-2023-055-1

BALANCE SHEET
At 31 December 2024FORM B01-DN
Unit: VND

ITEMS	Codes	Notes	31/12/2024	01/01/2024
A - CURRENT ASSETS	100		1,198,171,727,912	965,044,396,541
I. Cash and cash equivalents	110	5	154,366,119,933	179,386,184,696
1. Cash	111		72,811,373,048	179,386,184,696
2. Cash equivalents	112		81,554,746,885	-
II. Short-term financial investments	120		372,845,678,500	170,000,000,000
1. Investments held to maturity	123	6	372,845,678,500	170,000,000,000
III. Short-term receivables	130		513,893,627,911	451,033,230,151
1. Trade accounts receivable	131	7	448,811,065,887	415,394,453,192
2. Short-term advances to suppliers	132	8	7,703,327,562	14,857,604,374
3. Other receivables	136	9	57,951,610,278	20,798,221,155
4. Provision for doubtful debts	137		(572,375,816)	(26,568,570)
5. Shortage of assets awaiting resolution	139		-	9,520,000
IV. Inventories	140	10	135,047,117,847	139,149,982,429
1. Inventories	141		135,047,117,847	139,149,982,429
V. Other current assets	150		22,019,183,721	25,474,999,265
1. Short-term prepaid expenses	151	11	10,471,041,433	15,898,661,136
2. Value added tax deductibles	152		11,548,142,288	9,376,404,009
3. Other receivables from State Budget	153	17	-	199,934,120
B - NON-CURRENT ASSETS	200		866,955,421,465	903,828,793,973
I. Long-term receivables	210		69,000,000	143,448,120
1. Other long-term receivables	216	9	69,000,000	143,448,120
II. Fixed assets	220		683,273,490,405	726,566,366,447
1. Tangible fixed assets	221	13	637,336,393,207	674,660,622,161
- Cost	222		1,076,168,929,888	1,053,989,608,139
- Accumulated depreciation	223		(438,832,536,681)	(379,328,985,978)
2. Finance lease assets	224	14	42,724,391,174	48,719,448,613
- Cost	225		58,858,210,990	61,917,130,990
- Accumulated depreciation	226		(16,133,819,816)	(13,197,682,377)
3. Intangible fixed assets	227	15	3,212,706,024	3,186,295,673
- Cost	228		5,663,277,273	4,713,277,273
- Accumulated Amortization	229		(2,450,571,249)	(1,526,981,600)
III. Long-term assets in progress	240		9,358,786,283	450,000,000
1. Construction in progress	242	12	9,358,786,283	450,000,000
IV. Other long-term assets	260		174,254,144,777	176,668,979,406
1. Long-term prepayments	261	11	174,254,144,777	176,668,979,406
TOTAL ASSETS	270		2,065,127,149,377	1,868,873,190,514

BALANCE SHEET (Continued)

At 31 December 2024

FORM B01-DN
Unit: VND

ITEMS	Codes	Notes	31/12/2024	01/01/2024
C - LIABILITIES	300		1,371,283,075,187	1,289,822,628,310
I. Current liabilities	310		1,089,951,434,641	876,889,558,842
1. Trade accounts payable	311	16	208,970,143,525	173,498,677,105
2. Short-term advance from customers	312		4,555,204,519	7,939,246,897
3. Taxes and amounts payable to State Budget	313	17	23,916,155,549	13,734,759,023
4. Payables to employees	314		51,807,633,306	30,836,432,238
5. Short-term accrued expenses	315	18	82,576,499,905	86,933,398,314
6. Short-term unearned revenue	318		9,560,878,952	3,532,848,818
7. Other current payables	319	19	3,354,103,459	5,458,508,331
8. Short-term loans and obligations under	320	20	684,794,521,893	538,051,934,898
9. Bonus and welfare funds	322		20,416,293,533	16,903,753,218
II. Long-term Liabilities	330		281,331,640,546	412,933,069,468
1. Other long-term payables	337	19	86,726,708,344	88,479,512,836
2. Long-term loans and obligations under	338	20	194,604,932,202	324,453,556,632
D - EQUITY	400		693,844,074,190	579,050,562,204
I. Owner's equity	410	21	693,844,074,190	579,050,562,204
1. Owners' contributed capital	411		300,000,000,000	300,000,000,000
- Ordinary shares with voting rights	411a		300,000,000,000	300,000,000,000
2. Share premium	412		16,689,002,236	16,689,002,236
3. Investment and development fund	418		110,574,918,126	99,931,757,746
4. Retained earnings	421		266,580,153,828	162,429,802,222
- Accumulated to the prior year end	421a		118,238,921,715	91,475,399,686
- Undistributed earnings of the current year	421b		148,341,232,113	70,954,402,536
TOTAL RESOURCES	440		2,065,127,149,377	1,868,873,190,514

Hanoi, 17 March 2025

Preparer



Hoang Thi Thu Hien

Chief Accountant



Doan Thuy Duong

Chairman
of the Board of Directors

Trinh Trung Hieu

INCOME STATEMENT
For the fiscal year ended 31 December 2024

FORM B02 - DN
Unit: VND

ITEMS	Codes	Notes	Year 2024	Year 2023
1. Revenue from goods sold and services	01	23	2,124,343,353,119	1,916,447,860,609
2. Deductions	02	23	154,714,493,901	160,123,631,588
3. Net revenue from goods sold and services rendered	10	23	1,969,628,859,218	1,756,324,229,021
4. Cost of goods sold and services rendered	11	24	1,328,780,446,292	1,275,160,918,896
5. Gross profit from goods sold and services rendered	20		640,848,412,926	481,163,310,125
6. Financial income	21	25	19,029,373,165	17,656,900,094
7. Financial expenses	22	26	45,290,476,423	67,753,302,181
- Of which: Loan interest charged	23		40,689,790,613	62,046,644,760
8. Selling expenses	25	27	357,443,224,161	305,007,939,057
9. General and administration expenses	26	27	52,677,691,215	45,071,854,917
10. Operating profit	30		204,466,394,292	80,987,114,064
11. Other income	31		3,518,452,177	3,143,266,197
12. Other expenses	32		2,061,468,267	658,333,030
13. Profit from other activities	40		1,456,983,910	2,484,933,167
14. Accounting profit before tax	50		205,923,378,202	83,472,047,231
15. Current corporate income tax expense	51	29	27,582,146,089	12,517,644,695
16. Deferred Tax Expense	52		-	-
17. Net profit after corporate income tax	60		178,341,232,113	70,954,402,536
18. Earning per share	70	30	5,945	2,247

Hanoi, 17 March 2025

Preparer



Hoang Thi Thu Hien

Chief Accountant



Doan Thuy Duong

Chairman
of the Board of Directors



Trinh Trung Hieu

CASH FLOW STATEMENT
(*Indirect Method*)
For the fiscal year ended 31 December 2024

FORM B03 - DN
Unit: VND

ITEMS	Codes	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit for the year	01	205,923,378,202	83,472,047,231
2. Adjustment for			
- Depreciation and amortization of fixed assets	02	67,679,932,811	68,376,284,596
- Provisions	03	545,807,246	-
- Foreign exchange loss (gain) upon revaluation of monetary items denominated in foreign currency	04	(1,351,722,412)	(248,787,508)
- (Gain)/Loss from investing activities	05	(12,936,547,879)	(16,017,918,838)
- Interest expenses	06	40,689,790,613	62,046,644,760
3. Operating profit before movements in working capital	08	300,550,638,581	197,628,270,241
- Increase, decrease in receivables	09	(61,827,354,856)	20,870,510,208
- Increase, decrease in inventory	10	4,102,864,582	29,440,358,351
- Increase, decrease in payables (exclude interest expenses, CIT)	11	46,005,224,872	(9,168,998,709)
- Increase, decrease in prepayments and others	12	7,979,451,787	(471,264,848)
- Interest paid	14	(40,757,622,656)	(63,010,740,485)
- Corporate income tax paid	15	(14,455,393,040)	(14,815,811,348)
- Other cash outflows	17	(35,179,812)	-
Net cash from operating activities	20	241,562,629,458	160,472,323,410
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(32,670,475,176)	(18,013,900,488)
2. Proceeds from disposals of fixed assets and others	22	1,268,181,818	-
3. Cash outflow for lending, buying debt instruments of other entities	23	(544,845,678,500)	(381,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	342,000,000,000	601,500,000,000
5. Interest earned, dividend and profit received	27	10,069,965,760	14,472,447,079
Net cash from investing activities	30	(224,178,006,098)	216,958,546,591
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,394,614,156,926	1,146,842,600,217
2. Repayments of borrowings	34	(1,372,012,591,701)	(1,221,901,921,923)
3. Repayments of obligations under finance lease	35	(5,707,602,660)	(6,366,025,744)
4. Dividends and profits paid	36	(59,983,710,650)	(149,513,695,000)
Net cash from financing activities	40	(43,089,748,085)	(230,939,042,450)
Net decrease in cash during the year	50	(25,705,124,725)	146,491,827,551
Cash and cash equivalents at the beginning of year	60	179,386,184,696	32,895,432,779
Effect of changes in foreign exchange rates	61	685,059,962	(1,075,634)
Cash and cash equivalents at the end of year	70	154,366,119,933	179,386,184,696

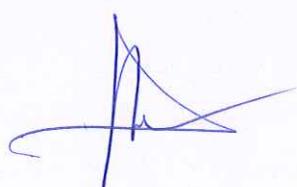
Hanoi, 17 March 2025

Preparer



Hoang Thi Thu Hien

Chief Accountant



Doan Thuy Duong

Chairman



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Trinh Trung Hieu

1. GENERAL INFORMATION

Structure of ownership

Huu Nghi Food Joint Stock Company (the "Company") operates under the Enterprise Registration Certificate for Joint Stock Company No. 0102109239, issued on 01 December, 2006, and amended for the 13th time on 06 May, 2020.

The Company's charter capital as of December 31, 2024 is VND 300,000,000,000, equivalent to 30,000,000 shares with a par value of VND 10,000 per share.

The total number of the Company's employees as of December 31, 2024 is 1,725 (as of December 31, 2023, it was 1,638).

The Company's shares are currently traded on the Upcom market at the Hanoi Stock Exchange under the stock code of HNF.

Operating and principal activities

- Trading of ingredients and supplies, consumer goods, fresh food, processed food, warehousing services, production and processing of beer, beverages, confectionery, and food products;
- Trading of beer, alcohol, beverages, fruits and vegetables (excluding bar services);
- Import and export of products that the company trades;
- Processing and preserving meat and meat products;
- Production of meals and prepared foods...

Normal business cycle

The Company's normal cycle are carried out for a time period of 12 months or less.

Corporate structure

The Company's structure as of December 31, 2024, includes the Head Office located at 122 Dinh Cong Street, Dinh Cong Ward, Hoang Mai District, Hanoi City, and the dependent and independent accounting branches as follows:

No.	Name	Address
1	Southern Branch (Dependent Accounting)	Lot CN3, Road No. 2, Song Than 3 Industrial Park, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province.
2	Northern Branch (Independent Accounting)	Lot CN 15-2, Yen Phong Expansion Industrial Park, Yen Trung Commune, Yen Phong District, Bac Ninh Province.

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

The Company's fiscal year begins on 1 January and ends on 31 December.

Accounting currency: Vietnam Dong (VND).

3. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM APPLIED

The financial statements are presented in Vietnamese Dong (VND) and prepared in accordance with the accounting principles stipulated in the Corporate Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, by the Ministry of Finance, Vietnamese Accounting Standards, and relevant legal regulations governing the preparation and presentation of financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the main accounting policies applied by the Company in the preparation of financial statements:

4.1. Basis of preparation of financial statements

The financial statements are prepared on the accrual basis (except for the information related to cash flows), under historical cost principle, based on the assumption of going concern.

4.2. Estimates

The preparation of financial statements complies with the Vietnamese Accounting Standards, Corporate Accounting System, and relevant legal regulations regarding the preparation and presentation of financial statements. This requires the Board of Management to make estimates and assumptions affecting the reported figures for liabilities, assets, and the presentation of liabilities and contingent assets as of the financial statement date, as well as the reported figures for revenue and expenses throughout the fiscal year. Although the accounting estimates are made with the best knowledge of the Board of Management, actual results may differ from the estimates and assumptions made.

4.3. Foreign currency conversion

The Company applies the treatment of exchange rate differences according to the guidance of Vietnamese Accounting Standard No. 10 - "Effects of Changes in Exchange Rates" and the current Accounting Regime for enterprises.

During the year, economic transactions conducted in foreign currencies are converted to VND at the actual transaction exchange rate on the date of occurrence or at the accounting book rate. Any resulting exchange rate differences are reflected in financial revenue (if a gain) and financial expenses (if a loss). The balances of monetary items in foreign currency are revalued at the actual transaction exchange rate at the end of the accounting year, and any revaluation exchange rate differences are reflected in exchange rate differences. The balances are then transferred to financial revenue (if a gain) or financial expenses (if a loss) at the end of the accounting year.

4.4. Cash and cash equivalents

Cash reflects the full existing amount of the Company at the end of the accounting period, comprising cash on hand, demand deposits and cash in transit.

Cash equivalents comprises short-term investments with terms of no more than 03 months since the date of investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at the reporting date and recorded in accordance with Vietnamese Accounting Standard No. 24 - Cash flow statement.

4.5. Financial Investment***Investment held to maturity***

This section reflects the investments that the Company intends and is able to hold until maturity, with remaining terms of no more than 12 months (short-term) and over 12 months (long-term) from the reporting date (excluding trading securities). These investments include time deposits at banks (including promissory notes and treasury bills) for the purpose of earning periodic interest.

Investments held to maturity are initially recognized at cost, which includes the purchase price and any transaction-related costs such as brokerage fees, transaction fees, consulting fees, taxes, levies, and bank fees. After initial recognition, these investments are recorded at their recoverable amounts.

Interest income generated after the purchase of investments held to maturity, as well as any gains from liquidation or sale of these investments, are recognized in financial income. Prepaid interest received before the Company holds the investment is deducted from the cost at the time of purchase.

The Company classifies these investments as long-term or short-term based on the remaining term from the reporting date.

When there is sufficient evidence that a portion or all of an investment may not be recoverable, and the loss can be reliably measured, the loss is recognized as a financial expense for the year and is directly deducted from the investment's value. Provisions for investments held to maturity that are similar in nature to doubtful receivables are established similarly to provisions for uncollectible debts outlined in Note 4.3.

4.6. Receivables and provision for doubtful debts

Receivables are monitored in detail of the original terms, remaining terms at the reporting date, the receivable objects, original currencies and other factors for the Company's managerial purpose. The classification of receivables is trade receivables; other receivables shall comply with the principles:

- Trade receivables include commercial receivables incurred from purchase-sale transactions, including receivables from sale of exported goods under the trust for other entities;
- Other receivables include non-commercial or non-trading receivables, including: receivables from loan interests, deposit interests, amount paid on behalf of another party; receivables which the export trustor must collect from the trustee; receivables from penalties, compensation; advances; pledges, collaterals, deposits, assets lending...

The Company classifies receivables as long-term or short-term based on the remaining term at the reporting date and evaluates foreign currency receivables according to the principles outlined in Note 4.3.

Receivables are recognised not exceeding the recoverable value. Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in difficulty of solvency due to dissolution, bankruptcy, or similar difficulties in accordance with the prevailing Corporate Accounting System.

4.7. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories includes purchase costs, processing costs, and other directly attributable costs incurred to bring the inventories to their current location and condition. The cost of inventories is determined using the weighted average method. The net realizable value is defined as the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

Inventory write-downs are the difference between the cost of inventories and their net realizable value at the end of the accounting period, and are recognized in accordance with the prevailing Corporate Accounting System.

4.8. Tangible fixed assets and depreciation

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets is determined based on the historical cost.

The cost of tangible fixed assets acquired through purchase and construction transfer includes all expenses that the Company incurs to acquire the fixed asset until it is ready for use.

The original cost of self-constructed tangible fixed assets includes construction costs, actual production costs incurred, as well as installation and testing costs.

Subsequent costs are added to the asset's cost if they improve the asset's current condition compared to its original standard state, such as:

- Replacing parts of the tangible fixed asset that extend its useful life or increase its operational capacity; or

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

- Improving parts of the tangible fixed asset that significantly enhance the quality of the products produced; or
- Implementing a new production technology that reduces the operating costs of the asset compared to before.

Costs incurred for repairs and maintenance aimed at restoring or maintaining the asset's ability to generate economic benefits according to its original standard operating condition, which do not meet any of the above conditions, are recognized as production and business expenses in the period incurred.

Depreciation of fixed assets is calculated using the straight-line method based on the estimated useful life of the asset in accordance with the depreciation framework stipulated in Circular No. 45/2013/TT-BTC dated April 25, 2013, of the Ministry of Finance. The specific depreciation periods for various types of fixed assets are as follows:

	Years
Buildings and structures	05 – 50
Machinery and equipments	03 – 15
Transport and transmission vehicles	05 – 10
Office equipment	03 – 08
Other assets	05 – 10

4.9. Finance Leases

A lease is classified as a finance lease when the majority of the benefits and risks associated with ownership of the leased asset are transferred to the lessee. Ownership of the asset may transfer at the end of the lease term.

The company recognizes the cost of a finance lease asset as its own asset at the fair value of the leased asset at the start of the lease or at the present value of the minimum lease payments (if this value is lower than the fair value), plus any direct initial costs related to the finance lease. The corresponding liability to the lessor is recognized on the balance sheet as a finance lease obligation. Lease payments are divided into financial expenses and principal repayments to ensure a fixed interest rate on the outstanding balance. Finance lease expenses are recognized in the income statement unless they are directly related to the leased asset, in which case they are capitalized according to the company's borrowing cost policy.

Finance lease assets are depreciated on a straight-line basis based on the estimated useful life according to the regulations in Circular No. 45/2013/TT-BTC of the Ministry of Finance guiding the management, use, and depreciation of fixed assets. The specific depreciation periods for each type of finance lease asset are as follows:

	Years
Machinery and equipments	04 – 14

4.10. Intangible fixed asset

Intangible assets comprise software and are stated at cost less accumulated amortization. Software is measured initially at purchase cost and is amortized on a straight-line basis over an estimated useful life from 03 years to 05 years.

4.11. Construction in Progress

Construction in progress is recognized at cost, reflecting direct costs related to assets under construction, machinery and equipment being installed for production, leasing, and management purposes, as well as costs related to repairing fixed assets in progress. Depreciation for these assets is applied similarly to other assets, starting when the asset is ready for use.

4.12. Prepaid expenses

Prepaid expenses include actual costs incurred that relate to the operating results over multiple accounting periods. Prepaid expenses consist of land use rights rent, infrastructure in industrial zones; the value of tools and equipment used, and other costs considered capable of providing future economic benefits to the Company. Specifically:

- Land use rights rent and infrastructure in industrial zones are amortized on a straight-line basis from the time the factories officially commence operations until the lease term ends.
- The value of tools and equipment used is amortized on a straight-line basis for a maximum period of 1 year (short-term prepaid expenses) and no more than 3 years (long-term prepaid expenses).

4.13. Payables

The payables are monitored in detail of the original terms, the remaining terms at the reporting date, the payable objects, original currency and other factors according to the Company's managerial purpose. The classification of payables such as trade payables, other payables must be implemented the following principles:

- Trade payables include commercial payables incurred from purchase-sale transactions, including payables when imported goods under the trust;
- Other payables include non-commercial or non-trading payables, including: payables for loan interest, payables for financial investments; amount paid for the third party; amount which the trustee receives from relevant parties to pay under the entrusted import-export transactions; asset borrowings; payables for penalties, compensation; surplus assets without reason; payables for social insurance, medical insurance, unemployment insurance, trade union; collaterals, deposits received, etc.

The company classifies payables as long-term or short-term based on the remaining term at the reporting date and re-evaluates foreign currency payables according to the principles outlined in Note 4.3.

The payables are recorded not less than the payment obligations. In the case of there is evidence that a loss likely occurs, the Company recognizes immediately a payable under the precautionary principle.

4.14. Loan and Financial leases

The company's loans and finance lease obligations include borrowings, finance lease debts, and borrowing through the issuance of regular bonds (non-convertible).

Loans and finance lease obligations are tracked in detail by each borrower, debt, and the type of assets borrowed or leased; by the repayment terms of loans and finance lease obligations. Loans and finance lease obligations with remaining repayment terms over 12 months from the reporting date are presented as "Long-term Loans and Finance Lease Obligations." Loans and obligations due within the next 12 months from the reporting date are presented as "Short-term Loans and Finance Lease Obligations."

The company borrows by issuing regular bonds, including: face value bonds (issued at par), discount bonds (issued below par), and premium bonds (issued above par). The company details discounts and premiums for each type of bond issued according to the bond issuance term. Discounts and premiums are determined and recorded at the time of bond issuance. The company allocates the discount or premium into borrowing costs or reduces borrowing costs using the effective interest method or straight-line method.

If the borrowing costs of bonds qualify for capitalization, the allocated discount or premium is capitalized for each period.

4.15. Borrowing cost

Borrowing costs include interest on loans and other costs directly related to borrowings.

Borrowing costs are recognized as expenses in the period incurred, except for borrowing costs directly related to the investment, construction, or production of assets under construction that require a long period (over 12 months) to be ready for intended use or sale, which are included in the asset's value (capitalized) when all conditions specified in Vietnamese Accounting Standard No. 16 - Borrowing Costs are met. For loans specifically for constructing fixed assets, interest is capitalized even if the construction period is 12 months or less.

For general loans used for investment or construction purposes, the amount of borrowing costs capitalized is determined based on the capitalization rate applied to the weighted average accumulated costs incurred for the investment or construction of the asset.

The capitalization rate is calculated based on the weighted average interest rate of loans outstanding during the period, excluding specific loans for forming a particular asset.

4.16. Accrued expenses

Accrued expenses are recognized based on reasonable estimates of the amount payable for goods and services used during the period for which invoices are not yet received or sufficient documentation is unavailable, including: interest on loans, selling support costs, and some other expenses.

4.17. Revenue

Sales revenue is recognized when all of the following conditions are met:

- The Company has transferred the significant risks and rewards associated with ownership of the products or goods to the buyer;
- The Company no longer retains control over the goods as an owner or has the right to control the goods;
- Revenue can be reliably measured. When the contract stipulates that the buyer has the right to return purchased products or goods under specific conditions, the Company recognizes revenue only when those specific conditions no longer exist and the buyer does not have the right to return the products or goods (except in cases where the customer has the right to return goods in exchange for other goods or services);
- The Company has received or will receive economic benefits from the sales transaction;
- The costs associated with the sales transaction can be reliably measured.

Financial revenue includes: interest on deposits and loans; interest on sales with deferred payment, payment discounts; dividends and profits distributed; and foreign exchange gains, among others.

Other income reflects revenues generated from events or transactions that are separate from the Company's normal business operations, in addition to the revenues mentioned above.

4.18. Taxation

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

Current income tax expense reflects the corporate income tax payable for the year and any additional corporate income tax payable due to minor errors discovered from previous years. Current income tax income reflects the corporate income tax payable reduced by minor errors discovered from previous years.

Deferred income tax expense reflects the amount of deferred tax assets realized during the period greater than the deferred tax assets arising in the period, or deferred tax liabilities arising in the period greater than deferred tax liabilities realized during the period. Deferred income tax income reflects the difference between deferred tax assets arising in the period greater than deferred tax assets realized during the period, or deferred tax liabilities realized during the period greater than deferred tax liabilities arising in the period.

Deferred income tax is calculated on the differences between carrying amounts and tax bases of items on the financial statements, tax losses, and unused tax benefits. Deferred tax liabilities must be recognized for all temporary differences, while deferred tax assets are only recognized when there is reasonable assurance of future taxable income to offset the temporary differences.

Deferred income tax is determined at the tax rate expected to be applied in the year the asset is recovered or the liability is settled. Deferred income tax is recognized in the income statement unless it relates to items recognized directly in equity, in which case it is also recognized directly in equity.

Deferred tax assets and deferred tax liabilities are offset when the company has a legal right to offset current tax assets with current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to corporate income tax managed by the same tax authority, and the company intends to settle current income tax on a net basis.

Taxable income may differ from the total accounting profit before tax presented in the income statement because taxable income does not include taxable income or expenses deductible in other years (including carryforward losses, if any) and also does not include non-taxable income or non-deductible expenses.

The determination of the company's income tax is based on current tax regulations. However, these regulations change over time, and the determination of corporate income tax obligations depends on the results of audits by the competent tax authorities.

Other taxes are applied according to current tax laws in Vietnam.

4.19. Related parties

Parties are considered related to the Company if they have the ability to control or significantly influence the Company in making financial and operational policy decisions, or if they share key management personnel or are under the control of another company (belonging to the same group).

Individuals who have the direct or indirect right to vote that results in significant influence over the Company, including close family members of these individuals (parents, spouses, children, and siblings), are also considered related parties.

Key management personnel have the authority and responsibility for planning, managing, and controlling the Company's activities. This includes leaders, management staff of the Company, and their close family members.

Businesses in which the individuals mentioned above hold directly or indirectly a significant voting interest, or through which they can significantly influence the Company, include businesses owned by the leaders or major shareholders of the Company and those with a shared key management member with the Company.

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

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5. CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	354,863,095	244,035,565
Cash at banks	72,456,509,953	179,142,149,131
Cash equivalents	81,554,746,885	-
Total	154,366,119,933	179,386,184,696

6. SHORT-TERM INVESTMENTS HELD TO MATURITY

	31/12/2024	01/01/2024
	VND	VND
Term deposit (i)	240,577,000,000	170,000,000,000
Bond (ii)	132,268,678,500	-
Total	372,845,678,500	170,000,000,000

(i): The certificates of deposit/the deposits with a term of 6 months at banks and financial institutions.

(ii): The investments in corporate bonds with a term of over 3 months to 6 months according to bond purchase and sale contracts with securities companies.

7. SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31/12/2024	01/01/2024
	VND	VND
Related parties		
Alpha International Food Joint Stock Company	294,574,075,002	291,878,254,742
Receivables from other customers		
Minh Chau Trading and Service Company Limited	490,897,415	19,455,641,494
EB Services Company Limited	22,540,197,285	18,067,367,134
Wincommerce General Commercial Services Joint Stock Company	60,482,800,720	20,210,608,677
Sen Vang B2B Services Joint Stock Company	3,889,394,101	4,396,238,042
Bach Hoa Xanh Trading Joint Stock Company	7,379,286,227	3,475,492,329
Others	59,454,415,137	57,910,850,774
Total	448,811,065,887	415,394,453,192

(*) The receivable of Alpha International Food JSC is secured by legal assets of the third party.

HUU NGHI FOOD JOINT STOCK COMPANY

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8. SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2024	01/01/2024
	VND	VND
Related parties		7,868,669,564
Dong Nam A Packing Joint Stock Company	-	7,868,669,564
Advances to other suppliers	7,703,327,562	6,988,934,810
Van Thong Development And Trade Company Limited	1,307,460,000	400,444,000
Guangzhou Lead Top Import & Export Co.,Ltd	-	2,618,699,854
Tri Viet Engineering Consulting JSC	780,000,000	-
Kim Hong Trading and Engineering JSC	1,673,812,000	908,441,000
Others	3,942,055,562	3,061,349,956
Total	7,703,327,562	14,857,604,374

9. OTHER SHORT-TERM RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term	57,951,610,278	-	20,798,221,155	-
Insurance receivables	37,237,498	-	23,643,099	-
Advances to employees	52,787,670,839	-	6,960,460,385	-
Alpha International Food Joint Stock Company (<i>Related party</i>)	-	-	8,640,534,774	-
Short-term deposits	319,100,000	-	361,971,000	-
Accrued interest	4,637,270,977	-	3,618,164,383	-
Others	170,330,964	-	1,193,447,514	-
Long-term	69,000,000	-	143,448,120	-
Long-term deposits	69,000,000	-	143,448,120	-
Total	58,020,610,278	-	20,941,669,275	-

10. INVENTORY

	31/12/2024		01/01/2024	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
Raw materials	67,158,797,906	-	61,220,176,495	-
Tools and supplies	14,322,684,149	-	12,770,268,834	-
Finished goods	43,485,578,971	-	53,264,782,132	-
Merchandises	10,080,056,821	-	11,894,754,968	-
Total	135,047,117,847	-	139,149,982,429	-

HUU NGHI FOOD JOINT STOCK COMPANY

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11. PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Short-term	10,471,041,433	15,898,661,136
Warehouse and store rental costs	661,098,501	183,333,334
Tools and supplies	5,601,658,021	12,287,139,479
Others	4,208,284,911	3,428,188,323
Long-term	174,254,144,777	176,668,979,406
Southern branch land use right rental fee (1)	34,033,678,198	35,131,443,586
Land rent at Yen Phong Industrial Park expansion of Northern Branch (2)	94,891,430,432	97,157,494,458
Tools and supplies	7,522,346,785	7,529,694,545
Cost of repairing	9,103,260,459	9,377,785,031
Others	28,703,428,903	27,472,561,786
Total	184,725,186,210	192,567,640,542

(1) Rental fee of land used right at Plot No.13, Song Than 3 Industrial Park, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province under the contract No.80/HDTD/ST3 dated 24/01/2014 signed with Dai Nam Joint Stock Company to implement the project of Huu Nghi Food Processing factory - Southern branch. Retal area is 34,681.5 m² with rental duration from 24/01/2014 to 31/12/2055.

(2) Rental fee of land and infrastructure at CN15-2, Yen Phong Expansion Industrial Park, Yen Trung Commune, Yen Phong District, Bac Ninh Province under the contract No.20-2018/BDS-HDNT dated 19/04/2018 signed with Viglacera Real estate Trading Company to build Huu Nghi Food factory - Northern branch. Retal area is 64,438 m² with rental duration from 19/04/2018 to 15/11/2066.

12. CONSTRUCTION IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
Purchase and installation of fixed assets	9,358,786,283	450,000,000
Total	9,358,786,283	450,000,000

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

13. TANGIBLE FIXED ASSETS

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	Buildings and Structures			Machinery and Equipments			Transportation Vehicles			Management equipment			Others			Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
COST																	
As at 01/01/2024	538,083,492,696	479,056,888,042	21,589,828,665	11,303,407,622	3,955,991,114	1,053,989,608,139											
Purchasing	-	24,484,711,141	271,650,000	527,292,185	119,000,000	25,402,653,326											
Increase from re-purchasing financial asset	-	3,075,744,060	-	-	-	3,075,744,060											
Liquidation, disposal	-	-	(6,137,075,637)	-	-	(6,137,075,637)											
Other reductions	-	(162,000,000)	-	-	-	(162,000,000)											
As at 31/12/2024	538,083,492,696	506,455,343,243	15,724,403,028	11,830,699,807	4,074,991,114	1,076,168,929,888											
ACCUMULATED DEPRECIATION																	
As at 01/01/2024	81,806,621,129	269,088,913,124	17,129,572,472	9,983,466,623	1,320,412,630	379,328,985,978											
Depreciation	15,696,276,886	44,108,446,982	1,282,304,671	510,592,490	493,067,787	62,090,688,816											
Increase from re-purchasing financial asset	-	1,711,084,953	-	-	-	1,711,084,953											
Liquidation, disposal	-	-	(4,291,652,475)	-	-	(4,291,652,475)											
Reclassification	13,116,737	1,951,162	1,463,839	1,900,216	-	18,431,954											
Other reductions	-	(25,002,545)	-	-	-	(25,002,545)											
As at 31/12/2024	97,516,014,752	314,885,393,676	14,121,688,507	10,495,959,329	1,813,480,417	438,832,536,681											
NET BOOK VALUE																	
As at 01/01/2024	456,276,871,567	209,967,974,918	4,460,256,193	1,319,940,999	2,635,578,484	674,660,622,161											
As at 31/12/2024	440,567,477,944	191,569,949,567	1,602,714,521	1,334,740,478	2,261,510,697	637,336,393,207											
Cost of tangible fixed assets fully depreciated but still in use	25,849,694,011	129,958,607,323	8,561,010,264	9,159,789,793	192,436,841	173,721,538,232											
Residual value of tangible fixed assets mortgaged for bank loans	401,268,090,864	49,937,928,317	-	-	-	-											

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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14. FINANCIAL LEASE ASSETS

	Machinery and Equipments	Total
	VND	VND
COST		
As at 01/01/2024	61,917,130,990	61,917,130,990
Decrease due to re-purchase of financial lease assets	(3,058,920,000)	(3,058,920,000)
As at 31/12/2024	58,858,210,990	58,858,210,990
ACCUMULATED DEPRECIATION		
As at 01/01/2024	13,197,682,377	13,197,682,377
Depreciation	4,665,654,346	4,665,654,346
Decrease due to re-purchase of financial lease assets	(1,711,084,953)	(1,711,084,953)
Reclassification	(18,431,954)	(18,431,954)
As at 31/12/2024	16,133,819,816	16,133,819,816
NET BOOK VALUE		
As at 01/01/2024	48,719,448,613	48,719,448,613
As at 31/12/2024	42,724,391,174	42,724,391,174

15. INTANGIBLE FIXED ASSETS

	Computer softwares	Total
	VND	VND
COST		
As at 01/01/2024	4,713,277,273	4,713,277,273
Purchasing	950,000,000	950,000,000
As at 31/12/2024	5,663,277,273	5,663,277,273
ACCUMULATED AMORTISATION		
As at 01/01/2024	1,526,981,600	1,526,981,600
Amortization	923,589,649	923,589,649
As at 31/12/2024	2,450,571,249	2,450,571,249
NET BOOK VALUE		
As at 01/01/2024	3,186,295,673	3,186,295,673
As at 31/12/2024	3,212,706,024	3,212,706,024
<i>Cost of intangible fixed assets fully depreciated but still in use</i>	117,727,273	117,727,273

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

16. SHORT-TERM PAYABLE TO SUPPLIERS

	31/12/2024	01/01/2024		
	Value	Repayment	Value	Repayment
	VND	VND	VND	VND
Related parties				
South East Asia Food Technology Joint Stock Company	795,415,572	795,415,572	308,983,048	308,983,048
	795,415,572	795,415,572	308,983,048	308,983,048
Other trade payables				
Agriculture Printing & Packing Joint Stock Company	208,174,727,953	208,174,727,953	173,189,694,057	173,189,694,057
VimafLOUR Limited Company	21,837,113,759	21,837,113,759	14,975,394,833	14,975,394,833
Wilmar International Limited Company	16,238,077,020	16,238,077,020	14,162,867,010	14,162,867,010
Thien Ha Plastic Packaging Joint Stock Company	17,772,979,104	17,772,979,104	10,963,184,340	10,963,184,340
Others	9,694,670,551	9,694,670,551	14,826,623,101	14,826,623,101
	142,631,887,519	142,631,887,519	118,261,624,773	118,261,624,773
Total	208,970,143,525	208,970,143,525	173,498,677,105	173,498,677,105

17. TAX AND AMOUNTS PAYABLE TO STATE BUDGET

	01/01/2024	Payable amount	Paid amount	31/12/2024
	VND	VND	VND	VND
Value added tax	5,566,047,499	51,369,966,725	51,080,325,650	5,855,688,574
Corporate income tax	4,161,252,856	27,582,146,089	14,455,393,040	17,288,005,905
Personal income tax	3,807,524,548	6,822,033,475	9,857,096,953	772,461,070
- Head office and Southern branch	4,007,458,668	5,806,980,811	9,262,080,540	552,358,939
- Northern branch	(199,934,120)	1,015,052,664	595,016,413	220,102,131
Fees, charge and others	-	1,087,338,611	1,087,338,611	-
Total	13,534,824,903	86,861,484,900	76,480,154,254	23,916,155,549

In which:

Taxes and amounts receivables from the State

Taxes and amounts payables to the State

199,934,120

13,734,759,023

- 23,916,155,549

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

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18. SHORT-TERM ACCRUAL EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Interest expense	-	26,681,080
Sales support and discount expense	38,633,685,441	31,007,790,360
Mid-Autumn Festival season expenses	13,675,337,678	15,603,409,861
Tet Festival expenses	22,347,314,373	22,069,631,387
Others	7,920,162,413	18,225,885,626
Total	82,576,499,905	86,933,398,314

19. OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
Short-term		
Trade Union fees	474,972,772	1,450,077,885
Insurance coverage	2,807,805	19,992,632
Dividends payable	963,326,897	947,037,547
Operating costs of the Company Party Committee	362,908,708	358,904,371
Interest payable	1,023,107,259	928,594,136
Others	526,980,018	1,753,901,760
long-term		
Long-term collaterals and deposits received	86,726,708,344	88,479,512,836
Total	90,080,811,803	93,938,021,167

20. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	31/12/2024	01/01/2024
	VND	VND
Short-term		
- Short-term loans (20.1)	684,794,521,893	538,051,934,898
- Current portion of long-term loans (20.1)	658,618,446,250	523,537,670,861
- Long-term financial lease liabilities due for payment (20.2)	20,855,936,188	8,806,661,377
	5,320,139,455	5,707,602,660
Long-term		
- Long-term loans (20.1)	194,604,932,202	324,453,556,632
- Long-term financial lease liabilities (20.2)	188,494,674,362	243,288,784,337
- Regular bonds (*)	6,110,257,840	11,430,397,295
Total	879,399,454,095	862,505,491,530

(*): The Company issued 70 HNFH22125002 bonds on 14/06/2021 with par value of VND 1 billion per 1 bond, a term of 48 months from issuance date to Bao Viet Commercial Joint Stock Bank - Transaction office branch with total amount of VND 70 billion, of which VND 40 billion used to implement the business cooperation contract with Alpha International Food JSC and VND 30 billion used to supplement working capital for purchasing raw material. In this year, the Company settled the above bond batch ahead of schedule.

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

20.1. Loans

	01/01/2024		During the year		31/12/2024		Repayment capability amount VND
	Value VND	Repayment capability amount VND	Value Increase VND	Decrease VND	Value VND		
			Value VND	Repayment capability amount VND	Value VND		
Short-term loans							
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hoan Kiem Branch (1)	523,537,670,861	523,537,670,861	1,394,614,156,926	1,259,533,381,537	658,618,446,250	658,618,446,250	259,794,697,919
United Overseas Bank Limited - Hanoi Branch (2)	266,157,977,065	266,157,977,065	682,723,075,223	689,086,354,369	259,794,697,919	259,794,697,919	
Shinhan Bank Vietnam Limited - Hanoi Branch (3)	92,690,835,613	92,690,835,613	161,562,128,579	154,547,664,638	99,705,299,554	99,705,299,554	
Vietnam International Commercial Joint Stock Bank (4)	40,681,395,685	40,681,395,685	100,034,180,937	90,757,089,548	49,958,487,074	49,958,487,074	
Kasikornbank Public Bank Limited - Ho Chi Minh City Branch (5)	10,530,803,248	10,530,803,248	120,604,069,116	71,134,872,364	60,000,000,000	60,000,000,000	
Joint Stock Commercial Bank for Investment and Development of Vietnam - Chuong Duong branch (6)	11,715,924,914	11,715,924,914	59,493,805,637	22,359,135,317	48,850,595,234	48,850,595,234	
Vietnam Maritime Commercial Joint Stock Bank (7)	-	-	99,704,167,729	49,747,189,216	49,956,978,513	49,956,978,513	
Asia Commercial Joint Stock Bank - ACB (8)	-	-	17,986,574,401	-	17,986,574,401	17,986,574,401	
Malayan Banking Berhad Bank - Hanoi branch (9)	-	-	19,229,058,839	-	19,229,058,839	19,229,058,839	
Sinopac Bank - Ho Chi Minh Branch	37,771,524,582	37,771,524,582	53,136,754,716	-	53,136,754,716	53,136,754,716	
Hong Leong Bank Vietnam Limited - Hanoi Branch	21,773,005,575	21,773,005,575	48,576,752,693	37,771,524,582	-	-	
Bangkok Bank Public Company Limited - Hanoi Branch	17,137,377,793	17,137,377,793	31,563,589,056	70,349,758,268	-	-	
Military Commercial Joint Stock Bank - Hai Ba Trung Branch	25,078,826,386	25,078,826,386	-	48,700,966,849	-	-	
<i>Current portion of long-term loan</i>							
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hoan Kiem Branch (10)	8,806,661,377	8,806,661,377	32,905,210,999	20,855,936,188	20,855,936,188	20,855,936,188	
Hong Leong Bank Vietnam Limited - Hanoi Branch (11)	8,806,661,377	8,806,661,377	11,016,312,023	10,944,449,488	10,944,449,488	10,944,449,488	
Long-term loan							
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hoan Kiem Branch (10)	243,288,784,337	243,288,784,337	-	54,794,109,975	188,494,674,362	188,494,674,362	
Hong Leong Bank Vietnam Limited - Hanoi Branch (11)	24,399,794,573	24,399,794,573	-	43,777,797,952	175,111,191,812	175,111,191,812	
Cộng	775,633,116,575	775,633,116,575	1,427,519,367,925	1,335,183,427,700	867,969,056,800	867,969,056,800	

As at 31/12/2024, short-term loan balances of the Company are all within limit approved by banks.

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

Information of short-term loan contracts as at 31/12/2024:

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No	Name of Bank	Contract	Purpose	Duration of loan limit	Collateral assets
1.	Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hoan Kiem Branch	Credit contract No. KHI-HDCTD/2023 dated 17/03/2023 and Appendix of No. HKI-HDCTD/23156.PL01 date 28/11/2024	Supplement working capital	To 28/02/2025	No collateral assets
2.	United Overseas Bank Limited - Hanoi Branch	Credit contract No. UOB/HCMC/CB-20034 dated 08/04/2020 và the second Appendix dated 08/04/2024	Supplement working capital, LC issuance	12 months from 08/04/2024	No collateral assets
3.	Shinhan Bank Vietnam Limited - Hanoi Branch	Credit contract No. SHBV/NTDH/2014/0018 dated 10/05/2014 và Appendix dated 14/05/2024	Supplement working capital	To 15/05/2025	No collateral assets
4.	Vietnam International Commercial Joint Stock Bank	Credit contract No. 5212316.23 dated 31/10/2023	Supplement working capital	12 months from date of signing contract	No collateral assets
5.	Kasikornbank Public Bank Limited - Ho Chi Minh City Branch	Credit contract No. 090/2023/FA.01 dated 22/06/2023	Supplement working capital	12 months from date of signing contract and automatically renewed for an additional 12 months	No collateral assets
6.	Joint Stock Commercial Bank for Investment and Development of Vietnam - Chuong Duong branch	Credit contract No. 01/2024/7038394/HDTD dated 28/06/2024	Supplement working capital, LC issuance	To 15/06/2025	No collateral assets
7.	Vietnam Maritime Commercial Joint Stock Bank – Transaction Office Branch	Credit contract No. 112-0027049.16893/2024/HDTD dated 06/11/2024	Supplement working capital	12 months from date of signing contract	No collateral assets
8.	Asia Commercial Joint Stock Bank	Credit contract No. DIC.DN.552.190424 dated 11/06/2024	Supplement working capital	12 months from date of signing contract	No collateral assets
9.	Malayan Banking Berhad - Hanoi branch	Credit Request letter dated HN/LO/2024/HNF/01 dated 14/06/2024	Supplement working capital	12 months from date of signing contract	No collateral assets

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

Information of long-term loan contracts as at 31/12/2024:

No.	Name of Bank	Contract	Purpose and duration	Collateral assets
10.	Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hoan Kiem Branch	Loan contract under investment project No. HKI-DADT/19066 dated 07/10/2019	Maximum loan duration of 120 months to pay construction cost related to the investment project: Invest in Huu Nghi Food factory - a branch of Huu Nghi Food Joint Stock Company in related parties Northern area	Assets formed from loan capital and several legally assets of related parties
11.	Hong Leong Bank Vietnam Limited - Hanoi Branch	Credit contract No. HN/2022/BCB/HDTD	Duration of 66 months from the date of first disbursement with purpose of purchasing machinery and equipments and related expenses	Assets formed from loan capital

Repayment schedule of long-term loan

	31/12/2024	01/01/2024
	VND	VND
- Within 1 year	20,855,936,188	8,806,661,377
- From second year to fifth year	188,494,674,362	199,510,986,381
- More than 5 year	-	43,777,797,956
Total	209,350,610,550	252,095,445,714
<i>- Deduct: Current portion of long-term loans</i>	<i>(20,855,936,188)</i>	<i>(8,806,661,377)</i>
Long-term loans	188,494,674,362	243,288,784,337

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

20.2. Finance leases

	Value	01/01/2024		During the year		31/12/2024	
		Repayment capability amount		Value	Increase	Decrease	Value
		VND	VND	VND	VND	VND	VND
Current portion of long-term finance lease liability	5,707,602,660	5,707,602,660	5,320,139,455	5,707,602,660	5,320,139,455	5,320,139,455	5,320,139,455
Chaillease International Leasing Company Limited - Hanoi branch	387,463,200	387,463,200	-	387,463,200	-	-	-
Vietcombank Leasing Company Limited (1)	5,320,139,460	5,320,139,460	5,320,139,455	5,320,139,460	5,320,139,455	5,320,139,455	5,320,139,455
Long-term finance lease liability	11,430,397,295	11,430,397,295	5,320,139,455	6,110,257,840	6,110,257,840	6,110,257,840	6,110,257,840
Vietcombank Leasing Company Limited (1)	11,430,397,295	11,430,397,295	-	5,320,139,455	6,110,257,840	6,110,257,840	6,110,257,840
Cộng	17,137,999,955	17,137,999,955	5,320,139,455	11,027,742,115	11,430,397,295	11,430,397,295	11,430,397,295

Information of long-term finance lease contracts as 31/12/2024

No.	Name of Company	Contract	Purpose	Duration
	No. 115.19.05/CTTC-HDMB dated 03/12/2019	Machinery and equipments leasing for the Factory in Bac Ninh province	84 months	
1.	No. 115.19.06/CTTC dated 03/12/2019	Machinery and equipments leasing for the Factory in Bac Ninh province	84 months	

Repayment schedule of long-term finance

	31/12/2024	01/01/2024
	VND	VND
- Within 1 year	5,320,139,455	5,707,602,660
- From second year to fifth year	6,110,257,840	11,430,397,295
Total	11,430,397,295	17,137,999,955
- Deduct: Long-term financial lease liabilities due for payment	(5,320,139,455)	(5,707,602,660)
Long-term financial lease debts	6,110,257,840	11,430,397,295

21. OWNERS' EQUITY

Statement of Changes in Owners' Equity

	Owner's equity	Share premium	Investment and development fund	Undistributed earnings	Total
	VND	VND	VND	VND	VND
As at 01/01/2023					
300,000,000,000	16,689,002,236	81,931,159,416	265,476,197,459	664,096,359,111	
Profit for the year	-	-	-	70,954,402,536	70,954,402,536
Profit distribution	-	-	18,000,598,330	(174,000,797,773)	(156,000,199,443)
As at 01/01/2024	300,000,000,000	16,689,002,236	99,931,757,746	162,429,802,222	579,050,562,204
Profit for the year	-	-	-	178,341,232,113	178,341,232,113
Profit distribution (i)	-	-	10,643,160,380	(44,190,880,507)	(33,547,720,127)
Interim dividend payment for 2024 (ii)	-	-	-	(30,000,000,000)	(30,000,000,000)
As at 31/12/2024	300,000,000,000	16,689,002,236	110,574,918,126	266,580,153,828	693,844,074,190

(i) According to Resolution of the 2024 Annual General Meeting of Shareholders No. 91/NQ-TPHN dated May 17, 2024, the 2023 after-tax profit is distributed as follows:

- Deducting the development investment fund by 15% of the after-tax profit, equivalent to: VND 10,643,160,380;
- Deducting the welfare reward fund by 5% of the after-tax profit, equivalent to: VND 3,547,720,127;
- Distributing dividends at a rate of 10%/charter capital, equivalent to: VND 30,000,000,000.

(ii) The Company shall pay interim dividends for 2024 at a rate of 10% of charter capital in accordance with Resolution of the 2024 Annual General Meeting of Shareholders No. 91/NQ-TPHN dated May 17, 2024 and Resolution of the Board of Directors No. 189/HĐQT-TPHN dated October 28, 2024.

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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Details of Owners' Contributions

	31/12/2024		01/01/2024	
	Value VND	Ratio %	Value VND	Ratio %
DNA Holding Joint Stock Company	154,101,250,000	51.37%	154,101,250,000	51.37%
Mr. Trinh Trung Son	-	0.00%	38,498,020,000	12.83%
Mr. Trinh Trung Hieu	117,276,870,000	39.09%	30,894,090,000	10.30%
Ms. Thai Lan Anh	17,712,000,000	5.90%	17,712,000,000	5.90%
Others	10,909,880,000	3.64%	58,794,640,000	19.60%
Total	300,000,000,000	100%	300,000,000,000	100%

Capital transactions with owners and distribution of dividends and profits

	Year 2024	Year 2023
	VND	VND
Owner's equity		
- Opening balance	300,000,000,000	300,000,000,000
- Increase during the year	-	-
- Decrease during the year	-	-
- Closing balance	300,000,000,000	300,000,000,000
Declared dividend, earning	60,000,000,000	150,000,000,000

Shares

	31/12/2024	01/01/2024
Authorised shares	30,000,000	30,000,000
Issued shares	30,000,000	30,000,000
- <i>Common shares</i>	<i>30,000,000</i>	<i>30,000,000</i>
Repurchased shares (Treasury shares)	-	-
Outstanding shares	30,000,000	30,000,000
- <i>Common shares</i>	<i>30,000,000</i>	<i>30,000,000</i>

Par value of an outstanding share 10,000 VND/shar

22. OFF BALANCE SHEET ITEMS

	31/12/2024	01/01/2024
Foreign currencies		
- USD	1,989,201.16	1,453,482.07
- EUR	65.29	75.97
Bad debt written - off	327,973,284	327,973,284
Mr. Le Tuan Hung	134,359,539	134,359,539
Mr. Le Xuan Doanh	74,614,003	74,614,003
Others	118,999,742	118,999,742

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

FORM B09 - DN

23. REVENUE

	Year 2024	Year 2023
	VND	VND
- Revenue from goods sold	2,124,343,353,119	1,916,447,860,609
Total	2,124,343,353,119	1,916,447,860,609
Deductions		
- Sales discounts	65,349,546,503	76,611,214,136
- Sales returns	89,364,947,398	83,512,417,452
Net revenue from goods sold and services rendered	1,969,628,859,218	1,756,324,229,021

Revenue from related parties:

	Year 2024	Year 2023
	VND	VND
Alpha International Food Joint Stock Company	98,013,775,528	136,726,672,625
Total	98,013,775,528	136,726,672,625

24. COST OF GOOD SOLD

	Year 2024	Year 2023
	VND	VND
Cost of finished goods, merchandise sold	1,328,780,446,292	1,275,160,918,896
Total	1,328,780,446,292	1,275,160,918,896

25. FINANCIAL INCOME

	Year 2024	Year 2023
	VND	VND
Bank and loans interest	13,513,789,223	12,377,384,064
Profit from sale of investment	-	3,640,534,774
Gain on foreign exchange difference	5,515,583,942	1,638,981,256
Total	19,029,373,165	17,656,900,094

26. FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	40,689,790,613	62,046,644,760
Payment discount	666,205,298	500,632,873
Loss from sale of financial investment	-	-
Loss on foreign exchange difference	1,709,677,860	2,378,168,999
Others	2,224,802,652	2,827,855,549
Total	45,290,476,423	67,753,302,181

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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27. SELLING AND ADMINISTRATIVE EXPENSE

	Year 2024	Year 2023
	VND	VND
Selling expenses	357,443,224,161	305,007,939,057
Labour costs	171,178,207,977	157,455,350,313
Material, package expenses	410,573,461	453,639,769
Tools and supplies expenses	1,005,621,289	2,057,004,037
Depreciation and amortization costs	277,563,046	620,893,137
Outsourced expenses	184,571,258,388	144,421,051,801
Administrative expenses	52,677,691,215	45,071,854,917
Labour costs	27,052,650,530	22,477,861,813
Material expenses for administration	667,609,555	674,177,980
Depreciation and amortization costs	3,635,251,298	4,769,608,325
Tax, fees	811,931,431	1,546,346,428
Provision	545,807,246	-
Outsourced expenses and others	19,964,441,155	15,603,860,371
Total	410,120,915,376	350,079,793,974

28. PRODUCTION AND BUSINESS COST BY NATURE

	Year 2024	Year 2023
	VND	VND
Raw materials	1,078,706,758,635	1,279,145,431,037
Labor costs	336,292,042,902	303,671,064,227
Depreciation and amortization	67,679,932,811	68,517,509,908
Outsourced expenses and others	250,369,008,198	202,286,115,321
Total	1,733,047,742,546	1,853,620,120,493

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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29. CORPORATE INCOME TAX EXPENSE

	Year 2024	Year 2023
	VND	VND
Accounting profit before tax	205,923,378,202	83,472,047,231
Adjustment for taxable income	(2,891,365,015)	1,702,376,115
- Minus: Transferred undeductible interest expenses in previous years	3,945,412,247	-
- Add: Undeductible expenses	1,054,047,232	893,107,234
- Add: Undeductible interest expenses under Decree No. 132	-	809,268,881
Taxable income	203,032,013,187	85,174,423,346
In which:		
- Head office and remaining branch	69,235,750,559	32,099,910,104
- Northern branch	133,796,262,628	53,074,513,242
Tax rate	20%	20%
CIT calculated on taxable income of the current period	27,415,425,016	11,758,882,911
- Head office and remaining branch	13,847,150,112	6,419,982,021
- Northern branch	26,759,252,526	10,614,902,648
- Corporate income tax incentives for Northern branch	(13,190,977,622)	(5,276,001,758)
Additional corporate income tax of previous years	166,721,073	758,761,784
Total current corporate income tax expenses	27,582,146,089	12,517,644,695

(*): Northern branch of the Company is exempted from tax for 2 years and has a 50% reduction of corporate income tax in 4 following years for income from the project "New investment in Huu Nghi Food factory – the branch of the Huu Nghi Food Company in Northern area". The year 2024 is the third year which the Company has a 50% reduction in corporate income tax.

30. EARNINGS PER SHARE

	Year 2024	Year 2023
	VND	VND
Net profit after corporate income tax	178,341,232,113	70,954,402,536
Profit allocated to common shareholders	178,341,232,113	70,954,402,536
Welfare and bonus fund	-	3,547,720,127
Profit for Earning per share caculation	178,341,232,113	67,406,682,409
Weighted average number of common shares during the year	30,000,000	30,000,000
Earnings per share	5,945	2,247

As at 31/12/2024, the Company has not yet allocated bonus and welfare funds for 2024, accordingly, earnings per share in 2024 may be adjusted, depending on the allocation of corporate funds from profit after tax according to the Resolution of the General Meeting of Shareholders.

Earning per share in 2023 has been restated due to the impact of profit distribution in 2023 according to the Resolution of the General Meeting of Shareholders No.91/NQ-TPHN dated 17/05/2024.

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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31. RELATED PARTIES

The company has related parties as follows:

In addition to related parties who are members of the Board of Directors and Management of the Company, the Company has the following related parties:

Related parties	Relationship
DNA Holding Joint Stock Company	Parent Company
South East Asia Food Technology Joint Stock Company	Same Parent Company
South East Asia Packaging Joint Stock Company	Same Parent Company
Alpha International Food Joint Stock Company	Same Parent Company
Bamboo International Joint Stock Company	Same Parent Company
Mr. Trinh Van Quy	Related person of the key member of the Company
Mrs. Nguyen Thai Anh	Related person of the key member of the Company

In addition to transactions and balances with related parties presented in other notes to this Financial Statement, during the year the Company had transactions and balances with the following related parties:

Transactions with related parties

	Year 2024	Year 2023
	VND	VND
Dividend declaration		
DNA Holding Joint Stock Company	30,820,250,000	77,050,625,000
Individual shareholders are members of the Board of Directors, Board of Management and Board of Supervisors	23,661,924,000	27,238,045,000

Purchases

South East Asia Food Technology Joint Stock Company	6,826,204,775	59,992,162,393
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Fixed asset disposal

Mr. Trinh Van Quy	222,727,273	-
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Balance with related parties

	31/12/2024	01/01/2024
	VND	VND
Advances to employees		
Mr. Trinh Trung Hieu	-	2,507,690,672
Mrs. Le Thi Lan Anh	-	2,920,000,000
Mrs. Nguyen Thai Anh	26,731,416,671	-
Long-term collaterals and deposits received		
Alpha International Food Joint Stock Company	49,832,300,100	49,832,300,100

HUU NGHI FOOD JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

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Income of the Board of Directors, General Director and Supervisory Board

Name	Position	Year 2024	Year 2023
		VND	VND
Remuneration of Board of Directors and Management			
Mr. Trinh Trung Hieu	Chairman	2,071,451,200	2,039,400,000
Mrs. Le Thi Lan Anh	Vice Chairwoman (resigned)	120,000,000	144,000,000
Mr. Nguyen Thai Duong	Member	297,761,900	331,144,200
Mr. Bui Tuan Anh	Member	366,551,800	415,515,900
Mr. Le Viet Anh	Member (resigned), Deputy General Director	1,432,200,000	1,112,259,100
Mr. Ta Nguyen Hai	Member, Deputy General Director	1,439,400,000	1,109,201,000
Ms. Nguyen Thi Hai Lan	Member	24,000,000	-
Mr. Tran Ngoc Chung	Deputy General Director	1,062,482,400	-
Income and remuneration of members of the Board of Supervisors		1,214,121,600	1,381,741,800
Mr. Le Thai Tuan	Head of Board of Supervisors	651,799,700	761,819,500
Ms. Le Mai Diu	Member	526,321,900	583,922,300
Ms. Le Thi Loi	Member	36,000,000	36,000,000

32. EVENTS OCCURRING AFTER THE END OF THE ACCOUNTING PERIOD

No unusual events occurred after the end of the accounting period that would affect the financial situation and operations of the Company, necessitating adjustments or disclosures in the financial statements for the fiscal year ended 31/12/2024.

33. ADDITIONAL INFORMATION

On July 29, 2024, the Company's Board of Directors approved the investment plan for machinery, equipment, and materials to serve phase 2 of the Yen Phong Project. Up to now, the Company is in the stage of project implementation.

34. COMPARATIVE FIGURES

The comparative figures are the figures on the audited financial statements for the fiscal year ended 31/12/2023.

Hanoi, 17 March 2025

Preparer



Hoang Thi Thu Hien

Chief Accountant



Doan Thuy Duong

Chairman

of the Board of Directors



Trinh Trung Hieu