

**HA LONG CANNED FOOD JOINT STOCK
CORPORATION**

**REVIEWED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2024 TO 30 JUNE 2024

August 2024



TABLE OF CONTENTS

<u>CONTENT</u>	<u>PAGES</u>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	2 - 3
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION	4 - 5
INTERIM CONSOLIDATED BALANCE SHEET	6 - 7
INTERIM CONSOLIDATED INCOME STATEMENT	8
INTERIM CONSOLIDATED CASH FLOWS STATEMENT	9 - 10
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	11 - 38

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Ha Long Canned Food Joint Stock Corporation (hereinafter referred to as the "Company") presents this report together with the interim consolidated financial statements for the period from 01 January 2024 to 30 June 2024.

BOARD OF MANAGEMENT, BOARD OF SUPERVISION AND BOARD OF GENERAL DIRECTORS

Members of Board of Management, the Board of Supervision and Board of General Directors of the Company who held office for the period from 01 January 2024 to 30 June 2024 and to the date of this report are as follows:

Board of Management

Mr. Kek Chin Ann	Chairman
Mr. Nguyen Thanh Trung	Vice Chairman
Mr. Bui Quoc Hung	Member
Mr. Tran Huu Hoang	Member
Mr. Wilson Cheah Hui Pin	Member

Supervisory Board

Mrs. Nguyen Thi Huong Giang	Head of Supervisory Board	
Mr. Nguyen Manh Tuan Vu	Member	
Mrs. La Thi Quy	Member	Dismissed on 20 April 2024
Mrs. Tran Thi Minh Man	Member	Appointed on 20 April 2024

Board of General Directors

Mr. Truong Sy Toan	Chief Executive Officer
--------------------	-------------------------

Legal representative

Mr. Kek Chin Ann	Chairman
------------------	----------

Chief Accountant

Chief accountant of the Company is Mrs. Bui Thi Huong.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of General Directors confirms that there have been no significant events occurring after the balance sheet date which would require adjustments to or disclosures to be made in the interim consolidated financial statements.

THE AUDITOR

The accompanying interim consolidated financial statements have been reviewed by UHY Auditing and Consulting Company Limited.

BOARD OF GENERAL DIRECTORS' RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the interim consolidated financial statements which give a true and fair view of the interim consolidated balance sheet of the Company as at 30 June 2024, and its interim consolidated operational results and interim consolidated cash flows for the accounting period from 01 January 2024 to 30 June 2024, in accordance with Vietnamese accounting standards, corporate accounting regime and legal regulations related to the preparation and presentation of the interim consolidated financial statements. In preparing those consolidated financial statement, the Board of General Directors is required to::

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONT'D)

BOARD OF GENERAL DIRECTORS' RESPONSIBILITY (CONT'D)

- 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 interim consolidated financial statements;
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- Design and implement effective internal control for the purpose of properly preparing and presenting the interim consolidated financial statements so as to minimize errors and frauds.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing and presenting the interim consolidated financial statements.

The Board of General Directors is responsible for ensuring that accounting records are properly, which disclose, with reasonable accuracy at any time, the balance sheet of the Company and to ensure that the interim consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other related legal regulations on preparation and presentation of the interim consolidated financial statements. It is also 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 Legal Representative of the Company authorized the Chief Executive Officer to sign and be responsible for the interim consolidated financial statements of the Company pursuant to the Authorisation Letter No. 12/UQ-ĐHHL dated 28 November 2022.

OTHER COMMITMENTS

The Board of General Directors commits that the Company does not violate the obligation to disclose information as prescribed in Circular No. 96/2020/TT-BTC on 16 November 2020 of the Ministry of Finance on disclosing information in the Securities Market, complying with the provisions of Decree No.155/2020/ND-CP on 31 December 2020 of the Government detailing the implementation of a number of articles of the securities law and Circular No. 116/2020/TT -BTC on 31 December 2020 of the Ministry of Finance guiding a number of articles on corporate governance applicable to public companies in Decree No. 155/2020/ND-CP.

For and on behalf of the Board of General Directors,



Trương Sỹ Toàn

Chief Executive Officer

Authorized under Power of Attorney No. 12/UQ-DHHL dated 28 November 2022

Hai Phong, 22 August 2024

**REPORT ON REVIEW OF
INTERIM FINANCIAL STATEMENTS**

*On the interim consolidated financial statements of Ha Long Canned Food Joint Stock Corporation
For the period from 01 January 2024 to 30 June 2024*

**To: Shareholders
Board of Management and Board of General Directors
Ha Long Canned Food Joint Stock Corporation**

We have reviewed the accompanying interim consolidated financial statements of Ha Long Canned Food Joint Stock Corporation (hereinafter referred to as the "Company") which were prepared on 22 August 2024 as set out on page 06 to 38, including the Interim Consolidated Balance Sheet as at 30 June 2024, the Interim Consolidated Income Statement and Interim Consolidated Cash Flow Statement for the period from 01 January 2024 to 30 June 2024 and the Notes thereto.

Responsibilities of the Board of General Directors

The Board of General Directors of the Company is responsible for preparing and presenting the interim consolidated financial statements in a true and fair view in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations related to the preparation and presentation of the interim consolidated financial statements and for such internal control as the Board of General Directors determines is necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditors

Our responsibility is to express a conclusion on this interim consolidated financial statement based on the result of our review. We conducted our review in accordance with Vietnamese Standards of service contract No.2410 - Review of interim consolidated financial information performed by the independent auditor of the entity.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS (CONT'D)

Conclusion of the Auditors

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated balance sheet of the Company as at 30 June 2024 and the results of its operations and its cash flows for the period from 01 January 2024 to 30 June 2024, in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations related to preparation and presentation of the interim consolidated financial statements.



Nguyễn Minh Long

Deputy General Director

Auditor's Practicing Certificate No.0666-2023-112-1

For and on behalf of

UHY AUDITING AND CONSULTING COMPANY LIMITED

Ha Noi, 22 August 2024

INTERIM CONSOLIDATED BALANCE SHEET
As at 30 June 2024

ASSETS	Code	Note	30/06/2024	01/01/2024
			VND	VND
CURRENT ASSETS	100		248,693,941,261	353,102,010,097
Cash and cash equivalents	110	4	14,731,379,105	13,399,202,616
Cash	111		14,731,379,105	13,399,202,616
Short-term receivables	130		54,926,160,677	62,850,746,109
Short-term trade accounts receivable	131	6	53,312,984,764	60,699,400,105
Short-term prepayments to suppliers	132		3,123,749,108	3,548,972,709
Other short-term receivables	136	7	7,096,948,936	7,218,708,024
Provision for short-term doubtful debts	137	9	(8,607,522,131)	(8,616,334,729)
Inventories	140	8	174,386,496,736	274,032,295,378
Inventories	141		178,481,189,073	277,868,547,251
Provision against devaluation of goods in	149		(4,094,692,337)	(3,836,251,873)
Other current assets	150		4,649,904,743	2,819,765,994
Short-term prepaid expenses	151	10	3,056,635,220	1,911,659,877
Deductible value added tax	152		1,024,237,165	602,682,167
Taxes and other receivables from the State Budget	153	14	569,032,358	305,423,950
NON-CURRENT ASSETS	200		46,824,632,806	49,747,568,421
Long-term receivables	210		670,164,171	598,164,171
Other long-term receivables	216	7	670,164,171	598,164,171
Fixed assets	220		42,882,963,596	45,843,474,219
Tangible fixed assets	221	11	30,048,566,394	32,889,039,826
- Cost	222		146,612,323,245	146,404,933,245
- Accumulated depreciation	223		(116,563,756,851)	(113,515,893,419)
Intangible fixed assets	227	5	12,834,397,202	12,954,434,393
- Cost	228		15,055,562,202	15,055,562,202
- Accumulated amortization	229		(2,221,165,000)	(2,101,127,809)
Other non-current assets	260		3,271,505,039	3,305,930,031
Long-term prepaid expenses	261	10	3,271,505,039	3,305,930,031
TOTAL ASSETS	270		295,518,574,067	402,849,578,518

INTERIM CONSOLIDATED BALANCE SHEET (CONT'D)

As at 30 June 2024

RESOURCES	Code	Note	30/06/2024 VND	01/01/2024 VND
LIABILITIES	300		159,544,613,941	251,076,208,320
Current liabilities	310		154,581,775,535	246,128,061,304
Short-term trade accounts payable	311	12	22,919,113,520	27,602,932,290
Short-term advances from customers	312		1,959,211,319	2,879,206,658
Taxes and other payables to the State budget	313	14	3,938,080,078	5,392,034,881
Payables to employees	314		4,707,329,618	9,550,087,614
Short-term expenses payable	315	15	11,247,738,180	9,269,018,480
Other short-term payables	319	16	1,454,732,342	1,442,432,345
Short-term borrowings and finance lease	320	13	106,416,361,912	186,134,540,470
Bonus and welfare fund	322		1,939,208,566	3,857,808,566
Non-current liabilities	330		4,962,838,406	4,948,147,016
Other long-term payables	337	16	282,500,163	282,500,163
Long-term borrowings and finance lease debts	338	13	190,000,000	250,000,000
Provision for long-term payables	342	17	4,490,338,243	4,415,646,853
OWNERS' EQUITY	400	18	135,973,960,126	151,773,370,198
Owners' equity	410		135,973,960,126	151,773,370,198
Owners' equity	411		50,000,000,000	50,000,000,000
- Ordinary shares with voting rights	411a		50,000,000,000	50,000,000,000
Share premium	412		15,753,387,350	15,753,387,350
Investment and development funds	418		29,020,260,148	29,020,260,148
Retained earnings	421		41,200,312,628	56,999,722,700
- Accumulated retained earnings brought forward	421a		49,049,722,700	44,930,610,569
- Retained earnings for the current period	421b		(7,849,410,072)	12,069,112,131
TOTAL RESOURCES	440		295,518,574,067	402,849,578,518

Hai Phong, 22 August 2024

Preparer

Chief Accountant

Chief Executive Officer


Duong Thi Thu Phuong


Bui Thi Huong





Trương Sỹ Toàn

INTERIM CONSOLIDATED INCOME STATEMENT
For the period from 01 January 2024 to 30 June 2024

Items	Code	Note	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
			VND	VND
Gross sales of merchandise and services	01	19	335,609,575,298	384,208,956,665
Less deductions	02	20	6,491,005,180	6,354,335,705
Net sales of merchandise and services	10		329,118,570,118	377,854,620,960
Cost of goods sold	11	21	270,196,260,925	307,672,921,318
Gross profit from sales of merchandise and services	20		58,922,309,193	70,181,699,642
Financial income	21	22	1,564,968,752	2,844,549,104
Financial expenses	22	23	5,986,067,346	8,679,505,752
<i>Including : Interest expenses</i>	23		3,842,584,703	6,953,265,046
Selling expenses	25	24	46,189,195,799	45,094,926,454
General and administrative expenses	26	24	15,931,699,189	15,814,594,738
Operating profit	30		(7,619,684,389)	3,437,221,802
Other income	31		130,692,193	212,587,372
Other expenses	32		260,800,225	46,660,684
Profit from other activities	40		(130,108,032)	165,926,688
Net profit before tax	50		(7,749,792,421)	3,603,148,490
Current Corporate income tax expenses	51	26	99,617,651	986,288,286
Deferred Corporate income tax expenses	52		-	-
Net profit after tax	60		(7,849,410,072)	2,616,860,204
Basic earnings per share	70	27	(1,570)	523
Diluted earnings per share	71	28	(1,570)	523

Hai Phong, 22 August 2024

Preparer


Duong Thi Thu Phuong

Chief Accountant


Bui Thi Huong

Chief Executive Officer


Trương Sỹ Toàn

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Applying indirect method)

For the period from 01 January 2024 to 30 June 2024

Items	Code	Note	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
Cash flows from operating activities				
Profit before tax	1		(7,749,792,421)	3,603,148,490
Adjustments for:				
Depreciation and amortization	02		3,167,900,623	3,860,876,378
Provisions	03		324,319,256	177,638,629
Foreign exchange difference (gain)/loss from revaluation of monetary items denominated in foreign currency	04		(55,935,715)	89,950,168
(Gain) from investing activities	05		(4,886,393)	(60,322,694)
Interest expense	06		3,842,584,703	6,953,265,046
Operating profit before movements in working capital	08		(475,809,947)	14,624,556,017
Increase, decrease in receivables	09		7,230,308,179	(10,613,534,633)
Increase, decrease in inventories	10		99,387,358,178	95,379,216,956
Increase, decrease in payables (excluding interest payables, corporate income tax payable)	11		(8,238,795,966)	(28,688,168,114)
Increase, decrease in prepaid expenses	12		(1,110,550,351)	(25,565,031)
Interest paid	14		(3,874,898,879)	(6,955,873,229)
Corporate income tax paid	15		(2,976,942,658)	(1,038,309,640)
Other cash outflows from operating activities	17		(2,668,600,000)	(372,610,467)
Net cash flows from operating activities	20		87,272,068,556	62,309,711,859
Cash flows from investing activities				
Acquisition of fixed assets and other long- term assets	21		(176,390,000)	(618,950,000)
Proceeds from fixed assets and long-term assets disposal	22		-	54,545,455
Interest income, dividend and profit distributed	27		4,886,393	5,777,239
Net cash flows from investing activities	30		(171,503,607)	(558,627,306)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONT'D)


(Applying indirect method)

For the period from 01 January 2024 to 30 June 2024

Items	Code	Note	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
Cash flows from financing activities				
Proceeds from borrowings	33		221,992,060,215	268,501,635,140
Repayments of principal	34		(301,768,460,336)	(326,681,951,250)
Dividends paid, profits distributed to owners	36		(5,991,916,200)	(7,467,978,750)
Net cash flows from financing activities	40		(85,768,316,321)	(65,648,294,860)
Net decrease/(increase) in cash and cash equivalents	50		1,332,248,628	(3,897,210,307)
Cash and cash equivalents at the beginning of the period	60	4	13,399,202,616	11,608,254,553
Effect from changing foreign exchange rate	61	i	(72,139)	5,552,406
Cash and cash equivalents at the end of the period	70	4	14,731,379,105	7,716,596,652

Hai Phong, 22 August 2024

Preparer



Duong Thi Thu Phuong

Chief Accountant


Bui Thi Huong

Chief Executive Officer




Trương Sy Toàn

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. BUSINESS HIGHLIGHTS

1.1 STRUCTURE OF OWNERSHIP

Ha Long Canned Food Joint Stock Corporation, (hereinafter referred to as “the Company”) is incorporated and operates under the Business Registration Certificate No. 0200344752 initially on 05 March 1999 and amended for the 14th on 23 May 2023 by Hai Phong Department of Planning and Investment.

The Company's head office is located at 71 Le Lai, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam.

The actual contributed charter capital according to the Business Registration Certificate of the Company as of 30 June 2024 is VND 50,000,000,000 divided into 5,000,000 shares with a par value of VND 10,000/share. In which, Vietnam Seaproducts Joint Stock Corporation contributed VND 13,873,600,000, accounting for 27.75%, other shareholders contributed 36,126,400,000 VND, accounting for 72.25%.

On 18 October 2001, 5 million shares of the Company with the stock code “CAN” were officially listed on the Hanoi Stock Exchange.

The total number of employees of the Company as at 30 June 2024 is 993 people (as at 31 December 2023 is 996 people).

1.2 BUSINESS LINES AND PRINCIPAL ACTIVITIES

Producing, processing, canning and trading aquatic products, seafood, frozen livestock and other foods.

1.3 NORMAL PRODUCTION AND BUSINESS CYCLE

The normal production and business cycle of the Company is 12 months.

1.4 BUSINESS STRUCTURES

The Company has following subsidiaries as below:

List of directly controlled subsidiaries:

Subsidiaries	Place of incorporation and operation	Principal Business activities	% of Owner ship	% of voting rights
Ha Long Canfoco – Da Nang Company Limited	Lot C3-4, C3-5, Tho Quang Aquaculture Services IZ, Tho Quang Ward, Son Tra District, Da Nang City, Viet Nam	Processing and storage fish and fish products, meat and meat products, vegetables and fruits, livestock, poultry feed and aquatic products.	100%	100%
Ha Long Canfoco Kindergarten	69 Le Lai Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam	Providing childcare and nursery education service.	100%	100%
Cot den Food one member enterprise liability Limited	No. 44 Chua Quynh Street, Quynh Loi Ward, Hai Ba Trung District, Hanoi	Wholesale and retail of food.	100%	100%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

1. BUSINESS HIGHLIGHTS (CONT'D)

1.5 STATEMENT OF COMPATIBILITY OF INFORMATION ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The comparative figures in the interim consolidated balance sheet and the corresponding notes are from the reviewed consolidated financial statements for the year ended 31 December 2023 of the Company audited. The comparative figures in the interim consolidated income statement, the interim consolidated cash flows and the corresponding notes are from the reviewed interim consolidated financial statements for the period from 01 January 2023 to 30 June 2023.

2. APPLICABLE ACCOUNTING CONVENTION AND ACCOUNTING REGIME

2.1 APPLICABLE ACCOUNTING CONVENTION

The Company applied to Vietnamese Accounting Standards, Vietnamese Corporate Accounting System promulgated under Circular 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding Corporate Accounting System and Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing a number of articles of Circular 200/2014/TT-BTC; prepared and presented the consolidated financial statements according to Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance.

2.2 ACCOUNTING PERIOD

The accounting period of the Company begins on 1 January and ends on 31 December of the calendar year. The accompanying interim consolidated financial statements have been prepared for the period from 01 January 2024 to 30 June 2024.

2.3 STATEMENT OF COMPLIANCE WITH ACCOUNTING STANDARDS AND SYSTEM

The interim consolidated financial statements have been prepared and presented in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other legal regulations related to preparation and presentation of the interim consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of these interim consolidated financial statements are as follows:

3.1 BASIS AND PURPOSE OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENT

The interim consolidated financial statements include the interim financial statements of the Company and the interim financial statements of companies controlled by the Company (subsidiaries) prepared for the accounting period from 1 January 2024 to 30 June 2024. This control is achieved when the Company has the ability to control the financial and operating policies of the investee companies in order to obtain benefits from the activities of these companies.

3.2 ACCOUNTING ESTIMATES

Consolidated financial reporting in conformity with Vietnamese Accounting Standards requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenue and expenses during the operating period. Actual results could differ from those estimates, assumptions.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FOREIGN CURRENCY

The exchange rate to convert transactions arising during the year in foreign currencies is the exchange rate with the Commercial Bank where the Corporation has such transaction at the time of arising.

The exchange rate when re-evaluating monetary items denominated in foreign currencies at the time of preparation of the interim consolidated financial statements is the exchange rate announced by the Commercial Bank where the foreign currency account is opened at the time of preparation of the interim consolidated financial statements:

In there:

- The exchange rate when revaluation of items denominated in foreign currencies that are classified as assets is the buying exchange rate of the Commercial Bank where the foreign currency account is opened at the time of preparing the interim consolidated financial statements.
- The exchange rate when re-evaluating items denominated in foreign currencies that are classified as liabilities is the selling exchange rate of the Commercial Bank where such foreign currency account is opened at the time of preparation of the interim consolidated financial statements.

3.4 CASH AND CASH EQUIVALENTS

Cash is an aggregate entry that reflects the entire existing cash balance of the enterprise at the reporting time, including cash at the enterprise's fund, demand deposits in banks recorded and reported in Vietnamese dong (VND), in accordance with the provisions of the Law on Accounting No. 88/2015/QH13 dated 20 November 2015 effective from 01 January 2017.

3.5 RECEIVABLES

Accounts receivable are stated at carrying amount less provisions for bad debts.

The classification of receivables is made according to the following principles:

- Accounts Receivables from customers reflect trade receivables arising from purchase - sale transactions between the Corporation and the buyers who are an independent unit against of the Corporation.
- Other accounts receivables reflect non-commercial receivables unrelated to purchase - sale transactions.

Provision for doubtful debts is made for receivables which are overdue in the economic contract, the contractual commitment, debt commitment, the Company has demanded many times but unrecoverable. In which, the provision for overdue receivables is based on the time of principal repayment according to the original purchase and sale contract, regardless of the debt extension between the parties and undue receivable debts, but the debtors have gone into bankruptcy status or are in the process of dissolving, missing, fleeing and refunded when the debt is collected.

Increases/decreases in balance of provision for bad debts which need appropriating as of the balance sheet date are recorded into administrative overheads.

3.6 INVENTORIES

Inventories are measured at the lower of cost and net realizable value.

The original price of inventory includes the costs of bringing the inventory to its present location and condition, including: purchase price, non-refundable taxes, transportation, handling, and maintenance costs, inventory loss, and other costs directly attributable to the purchase of the inventory.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 INVENTORIES (CONT'D)

Net realizable values are the estimated selling prices of inventories in an ordinary period of business less the estimated expenses to complete and other necessary expenses estimated on product consumption.

The Corporation applies the regular declaration method to accounting for inventories. Cost of inventories is calculated by weighted average method.

Method of making provision for devaluation of inventories: Provision for devaluation of inventories is made for each inventory item with diminution in value (the original price is greater than the net realizable value). Increase or decrease in the balance of provision for devaluation of inventories that need to be set up at the closing date of the interim consolidated financial statements are recorded in the cost of goods sold during the period.

3.7 TANGIBLES FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets includes all costs incurred by the Company to acquire the fixed assets up to bring is to the ready for use purpose. Expenses incurred after initial recognition of tangible fixed assets are recorded as an increase in the cost of the asset when it is probable that these costs will increase future economic benefits. Expenses incurred which do not meet the above conditions will be recorded into expenses during the period.

When tangible fixed assets are sold or disposed, historical cost and accumulated depreciation are eliminated from the accounts and gain or loss resulting from disposal is recognised as income or expense in the year.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. Useful lives (years)/Depreciation rate of tangible fixed assets are as follows:

<i>Fixed assets</i>	<i>Useful lives (years)</i>
- Buildings and structures	05 - 25
- Machinery and equipment	02 - 14
- Vehicles and transmission equipment	02 - 14
- Management equipment	03 - 06

3.8 INTANGIBLE FIXED ASSETS

Intangible fixed assets are recorded at historical cost, which is reflected in the balance sheet according to the items of historical cost, accumulated amortization and residual value.

Historical costs of intangible fixed assets include all the expenses of the Corporation to have these fixed assets as of the dates they are ready to be put into use. Expenses related to intangible fixed assets, which are incurred after initial recognition, are recognized as operating expenses in the period unless these expenses are associated with a specific intangible fixed asset and increase economic benefits from these assets.

The Corporation's intangible fixed assets include land use rights and software programs.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 INTANGIBLE FIXED ASSETS (CONT'D)

Land use rights

Land use rights comprise of land use rights granted by the State for which land use fees are collected, land use rights acquired in a legitimate transfer, and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at historical costs less accumulated amortisation. Historical cost of land use rights consists of the purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at historical cost and not amortised.

3.9 PREPAID EXPENSES

Prepaid expenses include expenses actually incurred but related to the results of production and business activities of many accounting periods. Prepaid expenses include: costs of insurance, tools and supplies that have been used and are waiting for allocation, repair and maintenance expenses of fixed assets, rental costs and other prepaid expenses.

Tools and supplies: Tools and supplies that have been put into use are allocated on a straight-line method for the period during 05 - 36 months.

Repair expenses: Expenses for repairing large-valued one-time assets are allocated into expenses on a straight-line method over 5 -36 months.

Rental expenses: Including office rental, advertising rental, advertising rental, etc., which are allocated into expenses on a straight-line method for the period during 01 - 12 months.

3.10 LIABILITIES PAYABLE

Liabilities are accounts payable to suppliers and other entities. Liabilities include trade and other payables. The unrecognized liability is lower than the payable obligation.

The classification of payables is made according to the following principles:

- Trade payables reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Corporation, including payables between the parent company and subsidiaries, joint ventures and associates;
- Other payables include non-commercial payables, unrelated to the purchase, sale and provision of goods and services.

3.11 ACCRUED EXPENSES

Actual costs incurred in the reporting year but not yet paid due to lack of invoices or insufficient accounting records and documents are recorded in production and business expenses of the reporting period.

The advance for production and business expenses in the year is strictly calculated and there must be reasonable and reliable evidence of the expenses to be deducted in advance in the year, to ensure that the accrued expenses are recorded to this account in accordance with the actual expenses incurred.

3.12 BORROWING AND FINANCIAL LEASE LIABILITY

Loans and finance lease liabilities are recognized on the basis of receipts, of bank documents, contracts and finance lease contracts.

Loans and finance lease liabilities are tracked by object, term, and original currency.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 BORROWING COSTS

Borrowing costs include interest and other costs incurred directly in connection with the loans.

Borrowing costs are recognized in production and business expenses in the year when they are incurred, unless they are capitalized in accordance with the provisions of Accounting Standard "Borrowing costs". Accordingly, borrowing costs that are directly attributable to the acquisition, construction or production of assets that take a relatively long time to complete are added to the cost of the assets until the asset is put into use or business. Gains arising from the temporary investment of loans are written off at the cost of the related assets. For consolidated loans for the construction of fixed assets, real estate investment, interest is capitalized even if the construction period is less than 12 months.

3.14 OWNER'S EQUITY

Owner's contribution capital is recognized in line with the amount actually contributed by the shareholders.

Share premium is recognized according to the difference between the issue price and par value of shares upon initial issue, additional issue, the difference between the re-issuance price and the book value of treasury shares and capital portion of the convertible bond at maturity. Direct expenses related to the additional issuance of shares and the re-issuance of treasury shares are recorded as a decrease in share premium.

Undistributed profit after tax is the amount of profit (profit or loss) from the operation of the enterprise after deducting CIT expenses for this period.

Profit after corporate income tax is distributed to shareholders after setting aside funds in accordance with the Charter of the Corporation as well as the provisions of law and has been approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is taken into account the non-monetary items included in the undistributed profit after tax that may affect the cash flow and the ability to pay dividends such as interest due to revaluation of assets for capital contribution, interest on revaluation of monetary items, financial instruments are other non-monetary items.

Dividends are recognized as a liability when approved by the General Meeting of Shareholders.

3.15 REVENUE RECOGNITION

Revenue of the Corporation includes sales of products, goods, lease, others.

Revenue from selling products and goods

Revenue from the sale of goods and finished products is recognized when all five (5) of the following conditions are satisfied simultaneously:

- The Corporation has transferred substantially all the risks and rewards of ownership of the products or goods to the purchaser;
- The Corporation no longer holds management right on goods, products as the goods and product owner or control right on goods;
- The revenue can be measured reliably. When contracts define that buyers are entitled to return products, goods purchased under specific conditions, revenue are recognized only when such specific conditions no longer exist and buyers are not entitled to return products, goods (except the case that buyers are entitled to return goods, products in the form of exchange for other goods, services);

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 REVENUE RECOGNITION (CONT'D)

- The Corporation has received or shall receive economic benefits from transactions of selling goods; and
- Costs related to the transaction of selling goods can be determined.

Revenue from service providers

Revenue from a service transaction is recognized when the outcome of the transaction can be measured reliably. In case the service provision transaction involves many periods, revenue is recognized in the year according to the results of the completed work at the closing date of this interim consolidated financial statement. The sales of a service transaction is determined when all four (4) of the following conditions are satisfied:

- The revenue can be measured reliably; When contracts define that buyers are entitled to return services provided under specific conditions, revenue are recognized only when such specific conditions no longer exist and buyers are not entitled to return services provided;
- The Corporation received or shall receive economic benefits from transactions of providing services;
- The stage of completion of transaction at the end of reporting period can be measured reliably; and
- The costs incurred for transactions and the costs to complete transactions can be measured reliably.

Financial income

Interest on bank deposits is recognized base on the basis of time and actual interest rate each period.

Gain from assessment of exchange rate differences arising during the period and revaluation of monetary items denominated in foreign currencies at the end of the period.

3.16 FINANCIAL EXPENSES

Financial expenses recognized in the consolidated income statement are the total financial expenses incurred during the year, not offset against financial income, including interest expense, interest rate difference and payment discounts...

3.17 TAXES AND OTHER PAYMENTS TO THE STATE

Value-added tax (VAT)

The Company implemented the declaration, calculation of VAT in conformity with guidance of the applicable law.

Corporate income tax

Corporate income tax represents the sum of the current tax payable.

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

Corporate income tax is calculated at the tax rate effective at the balance sheet date of taxable income.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 TAXES AND OTHER PAYMENTS TO THE STATE (CONT'D)

Other taxes

Other taxes and fees, enterprises shall declare and pay to local tax authorities according to current tax law in Vietnam.

3.18 RELATED PARTIES

Parties are considered to be related to the Company if it has the ability to control the Company or exercise significant influence over the Company in making financial and operating decisions. Related parties include:

- Enterprises have the right to control or be directly or indirectly controlled by one or more intermediaries, or under the common control with companies, including the Parent Company, Subsidiaries, joint ventures, jointly controlled business, and affiliated and companies.
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel having the power and responsibility for making plans, managing and controlling the Company's activities and even, the close family members of these individuals.
- Enterprises owned by aforementioned individuals, having direct or indirect voting rights or having a significant influence on the business.

In considering the relationship of related parties, the Company should consider the nature of the relationship rather than the legal form of the relationship. Accordingly, related party transactions and balances are presented in the notes below.

3.19 SEGMENT REPORTS

The reported segment is a distinguishable department of the company engaged in the production or supply of products or related services (Division by line of business) or engaged in the production or supply of products, services within a specific economic environment (Geographical Division) that has different economic risks and benefits than other business departments. The Company's basic division reports are division-based by the business activities or geographical area.

4. CASH AND CASH EQUIVALENTS

	30/06/2024	01/01/2024
	VND	VND
- Cash on hand	141,328,858	377,262,167
- Cash at bank	14,590,050,247	13,021,940,449
Total	14,731,379,105	13,399,202,616

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

5. INTANGIBLE FIXED ASSETS

	Land use right (*) <u>VND</u>	Computer software <u>VND</u>	Total <u>VND</u>
HISTORICAL COST			
01/01/2024	12,532,172,202	2,523,390,000	15,055,562,202
30/06/2024	12,532,172,202	2,523,390,000	15,055,562,202
ACCUMULATED DEPRECIATION			
01/01/2024	-	(2,101,127,809)	(2,101,127,809)
- Charge for the period	-	(120,037,191)	(120,037,191)
30/06/2024	-	(2,221,165,000)	(2,221,165,000)
NET BOOK VALUE			
01/01/2024	12,532,172,202	422,262,191	12,954,434,393
30/06/2024	12,532,172,202	302,225,000	12,834,397,202

(*) Intangible fixed assets are land use rights with indefinite useful life and intended purpose of building factories as below:

- (i) Land use right with an area of 10,306m² at plot C3-4 and plot C3-5, Tho Quang Seafood Service Industrial Zone, Tho Quang Ward, Son Tra District, Da Nang City with book value of VND 11,258,672,202;
- (ii) Land use right of Ha Long Canned Food Joint Stock Corporation with an area of 290,7m² at plot No.1 at No. 43/1 Phuoc Long Street, Phuoc Long Ward, Nha Trang City, Khanh Hoa Province with book value of VND 729,000,000.
- (iii) Indefinite land use right for a plot of land with an area of 215.4m² at 43/1 Phuoc Long Street, Phuoc Long Ward, Nha Trang City, Khanh Hoa Province with a book value of VND 544,500,000.

On 20 July 2016, the Company signed a land use right mortgage contract No. 77/2016/VCB DN with Joint Stock Commercial Bank for Foreign Trade of Vietnam - Da Nang branch, to mortgage the land use right in Da Nang (book value of VND 11,258,672,202) as the collateral for the bank loans obtained by Ha Long Canfoco - Da Nang Company Limited, a subsidiary with the Bank.

On 24 December 2019, the Company signed a land use right mortgage contract No. 01.2019/HDTC-CAN with Joint Stock Commercial Bank for Foreign Trade of Vietnam - South Hai Phong branch, to mortgage the land use right in Nha Trang (book value of VND 729,000,000) as the collateral for the bank loans obtained by the Company.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

6. TRADE RECEIVABLES

	30/06/2024		01/01/2024	
	Historical cost VND	Provision VND	Historical cost VND	Provision VND
a) Short-term	53,312,984,764	(1,628,559,175)	60,699,400,105	(1,637,371,773)
- Andy Trading Service Company Limited	9,345,247,538	-	9,590,583,722	-
- I.Schroeder Company	5,049,779,775	-	2,163,828,800	-
- Branch of Highland Coffee Service Joint Stock Company	4,375,296,000	-	3,684,064,000	-
- Wincommerce General Commercial Services JSC	5,589,899,679	(171,451,215)	8,174,462,946	(250,342,809)
- Others	28,952,761,772	(1,457,107,960)	37,086,460,637	(1,387,028,964)
b) Long-term	-	-	-	-
Total	53,312,984,764	(1,628,559,175)	60,699,400,105	(1,637,371,773)

c) Trade receivables with related parties: *Details are presented in Note 30.1*

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)*(These notes are an integral part of and should be read in conjunction with the accompanying interim consolidated financial statements)***7. OTHER RECEIVABLES**

	30/06/2024		01/01/2024	
	Historical cost VND	Provision VND	Historical cost VND	Provision VND
a) Short-term	7,096,948,936	(6,136,528,618)	7,218,708,024	(6,136,528,618)
- Receivables from individuals relating to VAT (*)	5,054,991,698	(5,054,991,698)	5,054,991,698	(5,054,991,698)
- Receivables from employees	302,012,805	-	-	-
- Deposits	329,766,373	-	269,766,373	-
- Others	1,410,178,060	(1,081,536,920)	1,893,949,953	(1,081,536,920)
b) Long-term	670,164,171	-	598,164,171	-
- Deposits	670,164,171	-	598,164,171	-
Total	7,767,113,107	(6,136,528,618)	7,816,872,195	(6,136,528,618)

(*) This balance represents the receivables and its provision from individuals relating to the VAT payable to the State amounting to VND 5,458,254,250 in accordance with Appeal sentence No. 03/HSPT dated 12 and 13 January 2005, issued by the Supreme People's Court of Vietnam – Appellate Court in Hanoi. In 2022, the Company wrote off the bad debt amounting to VND 403,262,552 that is no longer recoverable according to the instructions in Circular No. 48/2019/TT-BTC dated 8 August 2019 of the Ministry of Finance.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

8. INVENTORIES

	30/06/2024		01/01/2024	
	Historical cost VND	Provision VND	Historical cost VND	Provision VND
Raw materials	76,943,095,125	(1,218,427,465)	153,091,626,378	(928,202,186)
Tools and supplies	3,889,165,458	(87,476,308)	3,767,909,377	(84,401,631)
Work in progress	23,143,215,350	(441,153,300)	26,740,038,335	(419,299,093)
Finished goods	54,565,928,746	(2,305,197,756)	72,294,873,755	(1,661,506,346)
Merchandise	19,939,784,394	(42,437,508)	21,974,099,406	(742,842,616)
Total	178,481,189,073	(4,094,692,337)	277,868,547,251	(3,836,251,873)

9. DOUBTFUL DEBTS

	30/06/2024			01/01/2024		
	Cost	Recoverable value	Provision	Cost	Recoverable value	Provision
	VND	VND	VND	VND	VND	VND
Overdue receivables						
Trade accounts receivable	53,312,984,764	51,684,425,589	(1,628,559,175)	60,699,400,105	58,943,661,850	(1,637,371,773)
Others receivable	7,767,113,107	1,630,584,489	(6,136,528,618)	7,848,136,195	1,711,607,577	(6,136,528,618)
Prepayments to suppliers	3,123,749,108	2,281,314,770	(842,434,338)	3,548,972,709	1,421,041,509	(842,434,338)
Total	64,203,846,979	55,596,324,848	(8,607,522,131)	72,096,509,009	62,076,310,936	(8,616,334,729)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

9. DOUBTFUL DEBTS (CONT'D)

Movements of provision for doubtful debts during the period were as below:

	The six-month period at 30/06/2024 VND	Year 2023 VND
Beginning of year/period	8,616,334,729	8,650,957,265
Increase	261,144,057	400,996,994
Decrease	(269,956,655)	(435,619,530)
End of year/period	8,607,522,131	8,616,334,729

10. PREPAID EXPENSES

	30/06/2024 VND	01/01/2024 VND
a) Short-term	3,056,635,220	1,911,659,877
- Insurance fees	272,582,176	316,042,664
- Repair and maintenance expenses	356,565,852	299,472,059
- Rental expense	418,150,957	395,428,479
- Tools and supplies	755,042,531	321,401,612
- Others	1,254,293,704	579,315,063
b) Long-term	3,271,505,039	3,305,930,031
- Assets retirement obligation	2,158,185,376	2,232,583,210
- Repair and maintenance expenses	504,064,254	449,824,175
- Others	609,255,409	623,522,646
Total	6,328,140,259	5,217,589,908

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)*(These notes are an integral part of and should be read in conjunction with the accompanying interim consolidated financial statements)***11. TANGIBLE FIXED ASSETS**

	Plant and buildings <u>VND</u>	Machinery equipment <u>VND</u>	Motor vehicles transmission <u>VND</u>	Office equipment <u>VND</u>	Total <u>VND</u>
HISTORICAL COST					
01/01/2024	49,652,105,842	91,041,508,972	5,634,135,117	77,183,314	146,404,933,245
- Acquisitions	145,390,000	62,000,000	-	-	207,390,000
30/06/2024	<u>49,797,495,842</u>	<u>91,103,508,972</u>	<u>5,634,135,117</u>	<u>77,183,314</u>	<u>146,612,323,245</u>
ACCUMULATED DEPRECIATION					
01/01/2024	(40,501,053,126)	(70,078,908,742)	(2,858,748,237)	(77,183,314)	(113,515,893,419)
- Charge for the period	(476,948,667)	(2,393,641,375)	(177,273,390)	-	(3,047,863,432)
30/06/2024	<u>(40,978,001,793)</u>	<u>(72,472,550,117)</u>	<u>(3,036,021,627)</u>	<u>(77,183,314)</u>	<u>(116,563,756,851)</u>
NET BOOK VALUE					
01/01/2024	<u>9,151,052,716</u>	<u>20,962,600,230</u>	<u>2,775,386,880</u>	<u>-</u>	<u>32,889,039,826</u>
30/06/2024	<u>8,819,494,049</u>	<u>18,630,958,855</u>	<u>2,598,113,490</u>	<u>-</u>	<u>30,048,566,394</u>

- The residual value of tangible fixed assets used as mortgage, pledge or loan security as at 30 June 2024 is VND 6,085,528,592 (as at 01 January 2024 is VND 7,286,824,628);

- The historical cost of tangible fixed assets that have been fully depreciated but are still in use as of 30 June 2024 is VND 56,855,473,402 as at 01 January 2024 is VND 54,465,909,554).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

12. TRADE PAYABLES

	30/06/2024		01/01/2024	
	Amount	Ability-to-pay amount	Amount	Ability-to-pay amount
	VND	VND	VND	VND
a) Short-term	22,919,113,520	22,919,113,520	27,602,932,290	27,602,932,290
- Ha Long Foods Import Export Company Limited	4,800,672,200	4,800,672,200	5,898,039,880	5,898,039,880
- Vietnam Chuan Li Can Company Limited	2,048,623,830	2,048,623,830	2,689,394,400	2,689,394,400
- My Chau Printing and Packaging Joint Stock Company	4,884,672,760	4,884,672,760	2,919,736,148	2,919,736,148
- Others	11,185,144,730	11,185,144,730	16,095,761,862	16,095,761,862
b) Long-term	-	-	-	-
Total	22,919,113,520	22,919,113,520	27,602,932,290	27,602,932,290

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

13. BORROWING AND FINANCIAL LEASE

Description	30/06/2024		In the period		01/01/2024	
	Amount	Ability-to-pay amount	Increase	Decrease	Amount	Ability-to-pay amount
	VND	VND	VND	VND	VND	VND
Short-term borrowings	106,416,361,912	106,416,361,912	224,742,800,743	304,460,979,301	186,134,540,470	186,134,540,470
- Joint Stock Commercial Bank For Foreign Trade Of Vietnam - South Hai Phong Branch	10,024,065,720	10,024,065,720	32,218,903,410	40,648,282,030	18,453,444,340	18,453,444,340
- Vietnam Bank for Agriculture and Rural Development - Hai Phong Branch	49,846,956,840	49,846,956,840	79,484,559,669	73,535,273,024	43,897,670,195	43,897,670,195
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Ngo Quyen Branch	-	-	3,227,828,992	10,119,823,511	6,891,994,519	6,891,994,519
- Vietnam Technological and Commercial Joint Stock Bank - Hai Phong Branch	19,820,253,718	19,820,253,718	42,987,634,424	54,971,253,196	31,803,872,490	31,803,872,490
- Bank for Foreign Trade of Vietnam - Da Nang Branch	26,725,085,634	26,725,085,634	66,823,874,248	125,186,347,540	85,087,558,926	85,087,558,926
Long-term borrowings	190,000,000	190,000,000	-	60,000,000	250,000,000	250,000,000
- Public Bank Vietnam Limited - Da Nang Branch	190,000,000	190,000,000	-	60,000,000	250,000,000	250,000,000
Total	106,606,361,912	106,606,361,912	224,742,800,743	304,520,979,301	186,384,540,470	186,384,540,470

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

13. BORROWING AND FINANCIAL LEASE (CONT'D)

Lenders and loan agreement	Credit limit	Balance at 30/06/2024	Refund period payment of principal and interest	Rate	Loan purpose	From of guarantee
	VND	VND				
Short-term borrowings						
- Joint Stock Commercial Bank For Foreign Trade Of Vietnam - South Hai Phong Branch	30,000,000,000	10,024,065,720	Loan principal paid in 4 months, interest paid monthly.	4.8 - 5.0%/year	Financing working capital.	Collateral means used machinery and equipment under mortgage contracts No. 22/2018/HĐTC-CAN, 22A/2018/HĐTC/CAN, 02.2019/HĐTC-CAN and investment real estate owned by the Company under mortgage contract No. 01.2019/HĐTC-CAN.
- Vietnam Bank for Agriculture and Rural Development - Hai Phong Branch	50,000,000,000	49,846,956,840	Loan principal paid in 4 months, interest paid monthly.	4.5 - 6.0%/year	Financing working capital.	Collateral means land use rights and assets attached to land at 71 Le Lai, May Chai Ward, Ngo Quyen District, Hai Phong.
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Ngo Quyen Branch	20,000,000,000		- Loan principal paid in 5 months, interest paid monthly.	5.8%/year	Financing working capital.	No collateral.
- Vietnam Technological and Commercial Joint Stock Bank - Hai Phong Branch	45,000,000,000	19,820,253,718	Loan principal paid in 6 months, interest paid monthly.	4.7 - 5.5%/year	Financing working capital.	No collateral.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

13. BORROWING AND FINANCIAL LEASE (CONT'D)

Lenders and loan agreement	Credit limit	Balance at 30/06/2024	Refund period payment of principal and interest	Rate	Loan purpose	From of guarantee
	VND	VND				
- Bank for Foreign Trade of Vietnam - Da Nang Branch	105,000,000,000	26,725,085,634	Loan principal paid in 6 months, interest paid monthly.	3.9 - 4.3%/year	Financing working capital.	Collateral is: - Machinery equipment under mortgage contracts No. 41/2016/VCB-KHDN dated 28 April 2016 and appendices/contract amendments and supplements (if any); - Land use rights under mortgage contract No. 77/2016/VCB-KHDN dated 20 July 2016 and appendices/contract amendments and supplements (if any); - Goods mortgage contract No. 122/2019/VCB-ĐN dated 22 November 2019 and appendices/contract amendments and supplements (if any); - Machinery equipment under mortgage contracts No. 21/2021/VCB-ĐN dated 29 June 2021 and appendices/contract amendments and supplements (if any).
Long-term borrowings (over 1 year)						
- Public Bank Vietnam Limited - Da Nang Branch	600,000,000	190,000,000	Loan principal paid in 60 months, interest paid monthly.	8.8 - 9.2%/year	Financing Fixed Asset	The collateral is Kia Sorento 2.4 GAT Premium car.
Total	250,600,000,000	106,606,361,912				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

14. TAX AND OTHER PAYABLE TO THE STATE

	01/01/2024	Incurred during the period	Payment during the period	Offset	30/06/2024
	VND	VND	VND	VND	VND
Taxes and amounts payables					
- Value added tax payable	2,451,376,823	18,851,487,646	10,602,218,449	7,301,327,222	3,399,318,798
- Corporate income tax	2,689,491,390	99,617,651	2,976,942,658	(336,597,404)	148,763,787
- Personal income tax	251,131,704	2,388,620,396	1,952,583,878	403,502,407	283,665,815
- Land tax, land rental	-	633,541,528	454,255,818	72,988,996	106,296,714
- Other taxes	-	66,738,558	66,738,558	-	-
- Fees, charges and other payables	34,964	160,615,699	160,615,699	-	34,964
Total	5,392,034,881	22,200,621,478	16,213,355,060	7,441,221,221	3,938,080,078
	01/01/2024	Incurred during the period	Payment during the period	Offset	30/06/2024
	VND	VND	VND	VND	VND
Taxes and amounts receivable					
- Corporate income tax	-	-	-	336,597,404	336,597,404
- Land tax, land rental	305,423,950	-	-	(72,988,996)	232,434,954
Total	305,423,950	-	-	263,608,408	569,032,358

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

15. EXPENSES PAYABLES

	30/06/2024	01/01/2024
	VND	VND
a) Short-term	11,247,738,180	9,269,018,480
- Distributor support expenses	4,909,740,595	5,917,926,046
- Sales staff incentive	1,258,222,899	1,057,521,643
- Others	5,079,774,686	2,293,570,791
b) Long-term	-	-
Total	11,247,738,180	9,269,018,480

16. OTHER PAYABLES

	30/06/2024	01/01/2024
	VND	VND
a) Short-term	1,454,732,342	1,442,432,345
- Trade union fees	779,892,708	701,415,415
- Health insurance	217,135,604	216,807,428
- Unemployment insurance	26,205,468	26,163,468
- Dividend payables	117,114,750	109,030,950
- Short-term mortgages, deposits received	37,500,000	109,500,000
- Others	276,883,812	279,515,084
b) Long-term	282,500,163	282,500,163
- Others	282,500,163	282,500,163
Total	1,737,232,505	1,724,932,508

17. PROVISION FOR LONG-TERM PAYABLES

	30/06/2024	01/01/2024
	VND	VND
Long-term	4,490,338,243	4,415,646,853
- Provision for restoration cost (*)	4,490,338,243	4,415,646,853
Total	4,490,338,243	4,415,646,853

(*) This represents the provision for dismantling and restoration cost of the Company's leased land at 71 Le Lai Street, May Chai Ward, Ngo Quyen District, Hai Phong City, Vietnam in accordance with the Contract No. 11/HD/TD dated 15 March 1999 between the Company and Land and Housing Department of Hai Phong. Accordingly, the Company has obligation to clear the land at the end of the lease term.

Movements in the long-term provision during the year/period were as follows:

	The six-month period at 30/06/2024	Year 2023
	VND	VND
Beginning of year/period	4,415,646,853	4,229,815,873
Time value effect of provision for dismantling and restoration costs related to leased lands	74,691,390	185,830,980
End of year/period	4,490,338,243	4,415,646,853

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

18. OWNERS' EQUITY

18.1 CHANGES IN OWNERS' EQUITY

Items	Owners' capital	Share premium	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND
01/01/2023	50,000,000,000	15,753,387,350	29,020,260,148	52,930,610,569	147,704,258,067
- Profit in prior year	-	-	-	12,069,112,131	12,069,112,131
- Profit distribution	-	-	-	(8,000,000,000)	(8,000,000,000)
+ Appropriated to bonus and welfare fund	-	-	-	(500,000,000)	(500,000,000)
+ Dividends distribution	-	-	-	(7,500,000,000)	(7,500,000,000)
31/12/2023	50,000,000,000	15,753,387,350	29,020,260,148	56,999,722,700	151,773,370,198
01/01/2024	50,000,000,000	15,753,387,350	29,020,260,148	56,999,722,700	151,773,370,198
- Profit in year	-	-	-	(7,849,410,072)	(7,849,410,072)
- Profit distribution (*)	-	-	-	(7,950,000,000)	(7,950,000,000)
+ Appropriated to bonus and welfare fund	-	-	-	(750,000,000)	(750,000,000)
+ Extra bonus	-	-	-	(6,000,000,000)	(6,000,000,000)
+ Dividends distribution	-	-	-	(1,200,000,000)	(1,200,000,000)
30/06/2024	50,000,000,000	15,753,387,350	29,020,260,148	41,200,312,628	135,973,960,126

(*) Profit distribution according to the Resolution of Annual General Meeting of Shareholders 2024 No. 01/2024/NQ-ĐHĐCĐ dated 20 April 2024.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

18. OWNERS' EQUITY (CONT'D)

18.2 DETAILS OF OWNERS' EQUITY

	30/06/2024	01/01/2024
	VND	VND
- Vietnam Seaproducts Joint Stock Corporation	13,873,600,000	13,873,600,000
- Mr. Pham Huu Quy Lam	4,381,200,000	4,381,200,000
- Landial Pte Ltd.	7,324,000,000	7,324,000,000
- Mr. Low Say Pun	3,845,000,000	3,845,000,000
- Mr. Nguyen Van Binh	3,363,000,000	3,363,000,000
- Mrs. Le Minh Ha	2,741,900,000	2,741,900,000
- Other shareholders	14,471,300,000	14,471,300,000
Total	50,000,000,000	50,000,000,000

18.3 EQUITY TRANSACTIONS WITH OWNERS AND DISTRIBUTION OF PROFITS, DIVIDENDS

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
Owners' equity		
+ Equity at the beginning of the year	50,000,000,000	50,000,000,000
+ Equity increase in the year	-	-
+ Equity decrease in the year	-	-
+ Equity at the end of the year	50,000,000,000	50,000,000,000
- Dividends paid	6,000,000,000	7,500,000,000

18.4 SHARES

	30/06/2024	01/01/2024
	Share	Share
Number of shares to be issued	5,000,000	5,000,000
Number of shares offered to the public	5,000,000	5,000,000
+ Ordinary shares	5,000,000	5,000,000
Number of shares in circulation	5,000,000	5,000,000
+ Ordinary shares	5,000,000	5,000,000
Par value of shares (VND/share)	10,000	10,000

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

19. SALES OF MERCHANDISE AND SERVICES

	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
- Sales of finished goods	295,255,048,954	347,488,315,191
- Sales of merchandise	38,141,687,028	34,856,354,427
- Revenues from childcare and early childhood education services	1,053,234,000	1,052,120,000
- Others	1,159,605,316	812,167,047
Total	335,609,575,298	384,208,956,665

20. SALES DEDUCTIONS

	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
Sale reduction	6,491,005,180	6,354,335,705
In which:		
+ Trade discounts	6,152,196,490	6,251,817,115
+ Devaluation of sales	338,808,690	15,662,454
+ Sales returns	-	86,856,136
Total	6,491,005,180	6,354,335,705

21. COST OF GOODS SOLD

	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
- Cost of finished goods sold	242,932,927,133	286,071,902,028
- Cost of goods sold	26,190,196,194	20,527,837,897
- Cost of childcare and early childhood education services	1,012,545,800	1,072,202,200
- (Reversal) Provision against devaluation of goods in stock	60,591,798	979,193
Total	270,196,260,925	307,672,921,318

22. FINANCIAL INCOMES

	From 01/01/2024 to 30/06/2024 VND	From 01/01/2023 to 30/06/2023 VND
- Interest from lendings and deposits	4,886,393	5,777,239
- Foreign exchange difference gain incurred during the period	1,560,082,359	2,838,771,465
- Foreign exchange difference gain due to revaluation at the end of the period	-	400
Total	1,564,968,752	2,844,549,104

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

23. FINANCIAL EXPENSES

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
- Interest expense	3,842,584,703	6,953,265,046
- Realized exchange rate difference loss	1,846,502,243	1,194,482,618
- Unrealized exchange rate difference loss	55,935,715	89,950,568
- Time value effect of provision for dismantling and restoration costs related to leased lands	74,691,390	92,915,490
- Others	166,353,295	348,892,030
Total	5,986,067,346	8,679,505,752

24. SELLING EXPENSE AND GENERAL AND ADMINISTRATIVE EXPENSE

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
a) General and Administration expenses	15,931,699,189	15,814,594,738
- Labour costs	8,970,424,634	8,820,384,467
- Depreciation and amortisation	146,851,899	359,759,648
- Tax and fees expenses	427,292,294	490,862,554
- Working expenses	528,462,285	695,629,035
- Outsource service expenses	1,978,772,777	2,292,777,310
- Other cash expenses	1,550,679,043	2,997,039,902
- Provision for bad debts	2,329,216,257	158,141,822
b) Selling expenses	46,189,195,799	45,094,926,454
- Labour costs	25,497,178,975	23,921,253,425
- Distributor support expenses	6,019,811,607	5,504,323,057
- Shipping and handling costs	6,029,272,780	6,812,102,976
- Depreciation and amortisation	30,352,950	20,975,158
- Working expenses	1,668,735,597	1,426,692,717
- Marketing and promotion expenses	2,155,434,949	1,932,418,508
- Outsource service expenses	2,883,482,976	3,016,689,257
- Other cash expenses	1,904,925,965	2,460,471,356
Total	62,120,894,988	60,909,521,192

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

25. OPERATING COST BY FACTOR

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
- Raw material costs	189,023,560,010	213,940,313,523
- Labor costs	70,289,982,045	72,037,483,486
- Depreciation and amortisation	3,167,900,623	3,860,876,378
- Outsource service expenses	27,811,491,760	31,329,118,734
- Other cash expenses	15,949,384,243	21,942,418,827
Total	306,242,318,681	343,110,210,948

26. CURRENT CORPORATE INCOME TAX EXPENSE

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
Ha Long Canned Food Joint Stock Corporation	-	165,030,532
Ha Long Canfoco - Da Nang Company Limited	99,617,651	821,257,754
Total current corporate income tax expense	99,617,651	986,288,286

27. BASIC EARNING PER SHARE

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
Profit or loss allocated to shareholders owning ordinary shares (VND)	(7,849,410,072)	2,616,860,204
Weighted average number of outstanding shares during the period (Share)	5,000,000	5,000,000
Basic earning per share (VND/Share)	(1,570)	523

28. DILUTED EARNING PER SHARE

The Company's Board of Directors assesses that in the coming time, there will be no impact from instruments that can be converted into shares to dilute the value of shares, so diluted earnings per share will be equal to basic earnings per share.

29. SEGMENT REPORTS

The main revenue of the company is the production, processing, canning and export of frozen aquatic, seafood and livestock products. Segment reports include revenue, department COGS according to geographical location. Unallocated items include assets, liabilities due to the fact that the Company does not track assets and liabilities by revenue division and COGS.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

29. SEGMENT REPORTS (CONT'D)

From 01/01/2024 to 30/06/2024

	Domestic VND	Export VND	Total VND
This period			
Net sales of merchandise and services	224,318,769,545	104,799,800,573	329,118,570,118
Cost of goods sold	169,824,096,480	100,372,164,445	270,196,260,925
Gross profit from sales of merchandise and services	54,494,673,065	4,427,636,128	58,922,309,193
Expenditure not be allocated into segments			(62,120,894,988)
Operating profit			(3,198,585,795)
Financial income			1,564,968,752
Financial expenses			(5,986,067,346)
Other income			130,692,193
Other expenses			(260,800,225)
Current Corporate income tax expenses			(99,617,651)
Net profit after corporate tax			(7,849,410,072)

From 01/01/2023 to 30/06/2023

	Domestic VND	Export VND	Total VND
This previous period			
Net sales of merchandise and services	241,941,523,231	135,913,097,729	377,854,620,960
Cost of goods sold	176,560,498,059	131,112,423,259	307,672,921,318
Gross profit from sales of merchandise and services	65,381,025,172	4,800,674,470	70,181,699,642
Expenditure not be allocated into segments			(60,909,521,192)
Operating profit			9,272,178,450
Financial income			2,844,549,104
Financial expenses			(8,679,505,752)
Other income			212,587,372
Other expenses			(46,660,684)
Current Corporate income tax expenses			(986,288,286)
Net profit after corporate tax			2,616,860,204

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

30. OTHER INFORMATION

30.1 INFORMATION ABOUT RELATED PARTIES

During the operating period from 01 January 2024 to 30 June 2024, Related parties of the Company include:

Related parties	Relationship
- Mr. Kek Chin Ann	Chairman of the Board of management
- Mr. Nguyen Thanh Trung	Vice Chairman of the Board of management
- Mr. Bui Quoc Hung	Member of the Board of management
- Mr. Tran Huu Hoang	Member of the Board of management
- Mr. Wilson Cheah Hui Pin	Member of the Board of management
- Mr. Truong Sy Toan	Chief Executive Officer
- Mrs. Nguyen Thi Huong Giang	Head of the Supervisory Board
- Mr. Nguyen Manh Tuan Vu	Member of the Supervisory Board
- Ms. La Thi Quy	Member of the Supervisory Board (Dismissed on 20 April 2024)
- Mrs. Tran Thi Minh Man	Member of the Supervisory Board (Appointed on 20 April 2024)
- Vietnam Seaproducts Joint Stock Corporation	Associate
- Branch Seaprodex Hai Phong – Vietnam Seaproducts Joint Stock Corporation	Associate

Transaction with related parties

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
Sale of goods and services	2,400,000	
- Branch of Seaprodex Hai Phong - Vietnam	2,400,000	-
Purchase of goods and services		
- Branch of Seaprodex Hai Phong - Vietnam	255,808,478	-
Financing activities		
Dividend declared to:	6,000,000,000	7,500,000,000
- Vietnam Seaproducts Joint Stock Corporation	1,664,832,000	2,081,040,000
- Other shareholders	4,335,168,000	5,418,960,000

Income of members of BOM and key management members

	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
	VND	VND
- Income of key management members	1,488,000,000	1,613,000,000
- Remuneration of the Board of management and the Supervisory Board	3,036,399,999	1,690,600,001
Total	4,524,399,999	3,303,600,001

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

30. OTHER INFORMATION (CONT'D)

30.1 INFORMATION ABOUT RELATED PARTIES (CONT'D)

Income of key management members

Name	Position	From 01/01/2024 to 30/06/2024	From 01/01/2023 to 30/06/2023
		VND	VND
- Mr. Kek Chin Ann	Chairman of the Board of management	348,622,642	158,490,566
- Mr. Nguyen Thanh Trung	Vice Chairman of the Board of management	317,320,755	145,283,019
- Mr. Bui Quoc Hung	Member of the Board of management	289,018,868	132,075,472
- Mr. Wilson Cheah Hui Pin	Member of the Board of management	1,396,018,868	991,075,472
- Mr. Tran Huu Hoang	Member of the Board of management	337,018,868	168,075,472
- Mrs. Nguyen Thi Huong Giang	Head of the Supervisory Board	132,999,998	22,666,666
- Mr. Nguyen Manh Tuan Vu	Member of the Supervisory Board	107,700,000	36,466,667
- Mrs. La Thi Quy	Member of the Supervisory Board (Dismissed on 20 April 2024)	94,400,000	36,466,667
- Mrs. Tran Thi Minh Man	Member of the Supervisory Board (Appointed on 20 April 2024)	13,300,000	-
- Mr. Truong Sy Toan	Chief Executive Officer	1,018,000,000	1,188,000,000
- Mrs. Bui Thi Huong	Chief Accountant	470,000,000	425,000,000
Total		4,524,399,999	3,303,600,001

30.2 COMPARATIVE FIGURES

Comparative figures are figures on the audited Consolidated Financial Statements for the fiscal year ending 31 December 2023 of Ha Long Canned Food Joint Stock Corporation and the reviewed interim Consolidated Financial Statements for the 6-month period ending 30 June 2023 of Ha Long Canned Food Joint Stock Corporation.

Preparer

Duong Thi Thu Phuong

Chief Accountant

Bui Thi Huong

Chief Executive Officer

Truong Sy Toan



Hai Phong, 22 August 2024