

**SOUTHERN SEED CORPORATION**  
*(Incorporated in the Socialist Republic of Vietnam)*

**REVIEWED INTERIM  
FINANCIAL STATEMENTS**

**For the 6-month period ended 30 June 2024**



**SOUTHERN SEED CORPORATION**

No. 282 Le Van Sy Street, Ward 1, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam

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**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	1 - 2
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS	3 - 4
INTERIM BALANCE SHEET	5 - 6
INTERIM INCOME STATEMENT	7
INTERIM CASH FLOW STATEMENT	8
NOTES TO THE INTERIM FINANCIAL STATEMENTS	9 - 35

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**SOUTHERN SEED CORPORATION**

No. 282 Le Van Sy Street, Ward 1, Tan Binh District  
Ho Chi Minh City, S.R. Vietnam

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Southern Seed Corporation (the “Company”) presents this report together with the Company’s interim financial statements for the 6-month period ended 30 June 2024.

**THE BOARD OF MANAGEMENT AND GENERAL DIRECTORS**

The members of the Board of Management, Board of Supervisors and the Board of General Directors of the Company during the period and to the date of this report are as follows:

**Board of Management**

Ms. Tran Kim Lien	Chairwoman
Mr. Hang Phi Quang	Vice Chairman
Mr. Nguyen Dinh Nam	Member (resigned on 04 April 2024)
Mr. Dang Van Vinh	Member (appointed on 22 April 2024)
Mr. Duong Quang Sau	Member
Mr. Nguyen Quoc Phong	Member

**Board of General Directors**

Mr. Dang Van Vinh	General Director (appointed on 19 February 2024)
Mr. Nguyen Dinh Nam	Deputy General Director (appointed on 19 February 2024) General Director (resigned on 19 February 2024)
Mr. Nguyen Quoc Phong	Deputy General Director
Ms. Nguyen Thi Phong	Deputy General Director

**Board of Supervisor**

Mr. Phan The Ty	Head of Board of Supervisors
Ms. Van Thi Ngoc Anh	Member
Ms. Nguyen Thi Thanh Ha	Member

**BOARD OF GENERAL DIRECTORS’S STATEMENT OF RESPONSIBILITY**

The Board of General Directors of the Company is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2024 and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim financial statements, the Board of General Directors is required to:

**SOUTHERN SEED CORPORATION**

No. 282 Le Van Sy Street, Ward 1, Tan Binh District  
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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

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

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the interim financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of General Directors,



*Dang Van Vinh*

**Dang Van Vinh**  
**General Director**

10 August 2024

No.: 0183 /VN1A-HN-BC

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To:** Shareholders  
The Board of Management and Board of General Directors  
Southern Seed Corporation

We have reviewed the accompanying interim financial statements of Southern Seed Corporation (the "Company"), prepared on 10 August 2024 as set out from page 05 to page 35, which comprise the interim balance sheet as at 30 June 2024, the interim income statement and interim cash flows statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

### *The Board of General Director's Responsibility for the Interim Financial Statements*

The Board of General Directors is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical 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 (Continued)

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the 6-month period then ended, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

### Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2024.

The financial statements of the Company for the period ended 30 June 2023 were reviewed by another auditor who expressed an unmodified conclusion on those statements on 14 August 2023.



**Pham Tuan Linh**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 3001-2024-001-1

**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

10 August 2024  
Hanoi, S.R. Vietnam

**INTERIM BALANCE SHEET**

As at 30 June 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>434,798,611,570</b>	<b>330,171,457,282</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>60,391,634,267</b>	<b>47,215,188,681</b>
1. Cash	111		53,391,634,267	24,215,188,681
2. Cash equivalents	112		7,000,000,000	23,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>3,000,000,000</b>	-
1. Held-to-maturity investments	123	5	3,000,000,000	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>222,435,821,836</b>	<b>213,386,578,117</b>
1. Short-term trade receivables	131	6	71,568,272,560	29,508,873,482
2. Short-term advances to suppliers	132	7	6,660,404,537	6,384,608,006
3. Short-term loan receivables	135	34	130,000,000,000	155,000,000,000
4. Other short-term receivables	136	8	15,609,993,782	24,023,804,816
5. Provision for short-term doubtful debts	137	9	(1,402,849,043)	(1,530,708,187)
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>147,171,108,312</b>	<b>68,203,966,455</b>
1. Inventories	141		153,047,922,397	73,616,549,372
2. Provision for devaluation of inventories	149		(5,876,814,085)	(5,412,582,917)
<b>V. Other short-term assets</b>	<b>150</b>		<b>1,800,047,155</b>	<b>1,365,724,029</b>
1. Short-term prepayments	151	11	1,377,295,704	1,323,075,639
2. Taxes and other receivables from the State budget	153	17	422,751,451	42,648,390
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>212,534,535,495</b>	<b>215,895,452,895</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>102,870,032,195</b>	<b>105,951,124,339</b>
1. Tangible fixed assets	221	12	57,052,691,213	59,312,106,001
- Cost	222		195,250,024,158	192,047,702,531
- Accumulated depreciation	223		(138,197,332,945)	(132,735,596,530)
2. Intangible assets	227	13	45,817,340,982	46,639,018,338
- Cost	228		56,521,959,344	56,521,959,344
- Accumulated amortisation	229		(10,704,618,362)	(9,882,941,006)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>3,682,775,124</b>	<b>4,052,419,677</b>
1. Construction in progress	242	14	3,682,775,124	4,052,419,677
<b>III. Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>99,000,000,000</b>	<b>99,000,000,000</b>
1. Investments in subsidiaries	251		3,349,764,000	3,349,764,000
2. Investments in joint-ventures, associates	252		99,000,000,000	99,000,000,000
3. Provision for impairment of long-term financial investments	254		(3,349,764,000)	(3,349,764,000)
<b>IV. Other long-term assets</b>	<b>260</b>		<b>6,981,728,176</b>	<b>6,891,908,879</b>
1. Long-term prepayments	261	11	2,226,461,021	2,060,435,328
2. Deferred tax assets	262	15	3,869,150,925	4,045,357,321
3. Other long-term assets	268		886,116,230	786,116,230
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>647,333,147,065</b>	<b>546,066,910,177</b>

The accompanying notes are an integral part of these interim financial statements

**INTERIM BALANCE SHEET (Continued)**

As at 30 June 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>278,141,498,699</b>	<b>156,869,069,898</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>278,141,498,699</b>	<b>156,869,069,898</b>
1. Short-term trade payables	311	16	20,030,938,833	26,925,061,656
2. Short-term advances from customers	312		594,199,426	444,920,652
3. Taxes and amounts payable to the State budget	313	17	6,441,994,584	11,558,821,992
4. Payables to employees	314		4,204,327,207	661,587,970
5. Short-term accrued expenses	315	18	13,453,644,354	16,773,367,855
6. Other current payables	319	19	142,316,301,458	100,460,673,008
7. Short-term loans and obligations under finance leases	320	20	90,386,630,830	-
8. Bonus and welfare funds	322		713,462,007	44,636,765
<b>D. EQUITY</b>	<b>400</b>		<b>369,191,648,366</b>	<b>389,197,840,279</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>21</b>	<b>369,191,648,366</b>	<b>389,197,840,279</b>
1. Owner's contributed capital	411		149,923,670,000	149,923,670,000
2. Share premium	412		8,520,414,412	8,520,414,412
3. Treasury shares	415		(116,847,528,444)	(116,847,528,444)
4. Investment and development fund	418		142,456,027,711	134,250,074,818
5. Retained earnings	421		185,139,064,687	213,351,209,493
- Retained earnings accumulated to the prior year end	421a		160,090,393,391	158,644,856,875
- Retained earnings of the current period	421b		25,048,671,296	54,706,352,618
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>647,333,147,065</b>	<b>546,066,910,177</b>



Ma Hoang Kim Trang  
Preparer



Lam Tuan Lac  
Chief Accountant



Dang Van Vinh  
General Director

10 August 2024



**INTERIM INCOME STATEMENT**  
For the 6-month period ended 30 June 2024

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	23	195,758,530,864	152,254,820,750
2. Deductions	02	23	2,840,012,146	4,902,307,256
3. Net revenue from goods sold and services rendered (10=01-02)	10	23	192,918,518,718	147,352,513,494
4. Cost of sales	11	24	135,760,243,403	98,932,854,533
5. Gross profit from goods sold and services rendered (20=10-11)	20		57,158,275,315	48,419,658,961
6. Financial income	21	26	4,177,204,557	3,947,201,944
7. Financial expenses	22	27	1,383,093,421	301,286,000
- In which: Interest expense	23		1,297,958,059	-
8. Selling expenses	25	28	11,969,936,385	13,954,182,018
9. General and administration expenses	26	28	17,392,062,038	10,703,812,767
10. Operating profit (30=20+(21-22)-(25+26))	30		30,590,388,028	27,407,580,120
11. Other income	31	29	3,336,796,027	2,974,304,741
12. Other expenses	32	29	2,266,872,309	1,847,480,241
13. Profit from other activities (40=31-32)	40		1,069,923,718	1,126,824,500
14. Accounting profit before tax (50=30+40)	50		31,660,311,746	28,534,404,620
15. Current corporate income tax expense	51	30	6,435,434,054	6,228,718,344
16. Deferred corporate tax expense/(income)	52	30	176,206,396	(397,864,467)
17. Net profit after corporate income tax (60=50-51-52)	60		25,048,671,296	22,703,550,743
18. Basic earnings per share	70	31	1,736	1,574



Ma Hoang Kim Trang  
Preparer



Lam Tuan Lac  
Chief Accountant



Dang Van Vinh  
General Director

10 August 2024


**INTERIM CASH FLOW STATEMENT**  
*For the 6-month period ended 30 June 2024*

Unit: VND

ITEMS	Codes	Unit: VND	
		Current period	Prior period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>31,660,311,746</b>	<b>28,534,404,620</b>
Depreciation and amortisation of fixed assets	02	6,948,210,027	5,442,948,592
Provisions	03	336,372,024	(1,831,108,370)
(Gain) from investing activities	05	(4,116,321,401)	(3,947,083,340)
Interest expense	06	1,297,958,059	-
<b>2 Operating profit before movements in working capital</b>	<b>08</b>	<b>36,126,530,455</b>	<b>28,199,161,502</b>
Increase, decrease in receivables	09	(40,368,166,235)	9,480,649,678
Increase, decrease in inventories	10	(79,431,373,025)	(57,399,068,688)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	(5,045,271,950)	(5,501,217,022)
Increase, decrease in prepaid expenses	12	(144,039,362)	(641,412,652)
Interest paid	14	(1,297,958,059)	-
Corporate income tax paid	15	(12,565,006,171)	(1,949,849,921)
Other cash outflows	17	(2,104,091,403)	(2,154,388,825)
<b>Net cash (used in) operating activities</b>	<b>20</b>	<b>(104,829,375,750)</b>	<b>(29,966,125,928)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(4,563,809,494)	(15,582,107,033)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	283,000,000	75,846,944
3. Cash outflow for lending, buying debt instruments of other entities	23	(13,000,000,000)	(20,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	35,000,000,000	25,000,000,000
5. Interest earned, dividends and profits received	27	9,900,000,000	4,623,351,482
<b>Net cash generated by/(used in) investing activities</b>	<b>30</b>	<b>27,619,190,506</b>	<b>(5,882,908,607)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	119,709,882,444	4,475,568,522
2. Repayment of borrowings	34	(29,323,251,614)	-
<b>Net cash generated by financing activities</b>	<b>40</b>	<b>90,386,630,830</b>	<b>4,475,568,522</b>
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>13,176,445,586</b>	<b>(31,373,466,013)</b>
Cash and cash equivalents at the beginning of the period	60	47,215,188,681	78,816,574,850
Cash and cash equivalents at the end of the period (70=50+60)	70	60,391,634,267	47,443,108,837

  
Ma Hoang Kim Trang  
Preparer

  
Lam Tuan Lac  
Chief Accountant

  
Dang Van Vinh  
General Director

10 August 2024

The accompanying notes are an integral part of these interim financial statements

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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

**1. GENERAL INFORMATION**

**Structure of ownership**

Southern Seed Corporation (the "Company") is a joint stock company established in accordance with Vietnam Enterprise Law and Business Registration Certificate no. 4103001067 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 June 2002 and its amendments.

The Company's head office is located at No. 282 Le Van Sy Street, Ward 1, Tan Binh District, Ho Chi Minh City, Vietnam. In addition, the Company has several dependent units including: Cu Chi branch, Cai Lay branch, Co Do branch, Lam Ha Brach, Phu Giao branch, Mien Trung branch, Tra Vinh branch, Southern Seed Research Center, Vegetable and Flower Seed Development and Trading Center.

The number of employees of the Company as at 30 June 2024 was 154 (as at 31 December 2023: 142).

**Seasonality of operations affects interim financial statements**

Seeds are produced in the winter-spring and spring-summer seasons and harvested in the first six months of the year for storage and business purposes. During this period, the weather is dry leading to the good quality of the seeds and long storage. The Company bases on characteristics of each type of seed and its business plan. Because seed production result is usually higher in the first six months of the year than that in the last six months of the year, the inventory balance as of 30 June is usually higher than that as of 31 December.

**Operating industry and principal activities**

Operating industry and principal activities of the Company are to research, produce and trading seeds.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

**The Company's structure**

Details of the Company's subsidiary and associate as at 30 June 2024 are as follows:

Company name	Location	Proportion of ownership interest	Proportion of voting power held	Main business
<b>Subsidiary</b>				
Southern Seed Equipment Corporation (*)	Ho Chi Minh City	83.74%	83.74%	Agricultural and forestry production, food and beverage processing machinery, repair, maintenance and installation of machinery and equipment
<b>Associate</b>				
Vietnam Rice Company Limited	Dong Thap Province	30%	30%	Processing and trading seeds, agricultural products

(\*) The Company's Annual General Meeting of Shareholders approved the bankruptcy plan of Southern Seed Equipment Corporation under Resolution No. 03/NQ-ĐHĐCĐ dated 13 April 2013 to terminate its operations. Accordingly, Ho Chi Minh City People's Court issued a decision to open bankruptcy proceedings and is in the process of resolving the bankruptcy according to prevailing regulations. Therefore, the Company's Board of General Directors did not prepare the consolidated financial statements for the 6-month period ended 30 June 2024 of the Company and its solely subsidiary.

**Disclosure of information comparability in the interim financial statements**

Comparative figures of the interim balance sheet and corresponding notes are the figures of the Company's audited financial statements for the year ended 31 December 2023.

Comparative figures of the interim income statement, interim cash flow statement and corresponding notes are the figures of the reviewed financial statements for the 6-month period ended 30 June 2023.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**Accounting convention**

The accompanying interim financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

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

**Accounting period**

The Company's financial year begins on 01 January and ends on 31 December.

These interim financial statements have been prepared for the 6-month period ended 30 June 2024.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Company in the preparation of these interim financial statements, are as follows:

**Estimates**

The preparation of the interim financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results may differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial investments**

***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Loan receivables***

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

***Investments in subsidiaries, associates***

***Investment in subsidiaries***

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

***Investments in associates***

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries, associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries and associates are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

### Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Company applies perpetual method to account for inventories. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	04 – 20
Machinery and equipment	03 – 12
Motor vehicles, transmission equipment	02 – 08
Management tools and equipment	03 – 07

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognized in the interim income statement.

### Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the interim income statement on a straight-line basis over the term of the relevant lease.

#### **Intangible assets and amortisation**

Intangible asset represents land use rights, computer software and patent, that is stated at cost less accumulated amortisation.

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method over the duration of the right to use the land from 10 to 49 years.

Patents are measured initially at purchase cost and are amortised on the straight-line basis over their estimated useful lives from 10 to 20 years.

Computer software is measured initially at purchase cost and is amortized on the straight-line method, their estimated useful lives from 02 to 06 years.

#### **Construction in progress**

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

#### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including land rental, renovation and maintenance cost, tools and supplies issued for consumption and other prepayments.

Land rentals represent the land rentals that have been paid in advance for the whole lease term and are charged to the interim income statement using the straight-line method over the lease term.

Other prepayments include renovation and maintenance cost, used tools and supplies which are expected to provide future economic benefits to the Company and are allocated to the interim income statement using the straight-line method in accordance with the prevailing accounting regulations.

#### **Revenue recognition**

##### ***Revenue from the sales of goods***

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

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company;  
and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

***Revenue from rendering of services***

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably;
- and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

**Sales deductions**

Sales deductions include trade discounts, sales allowances and sales returns.

Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year/period. In case that sales deductions for sales of products, goods or rendering of services sold in the period incurred after the balance sheet date but before the issuance of the financial statements, the Company recorded as revenue deductions for the period.

**Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Company usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognized in the interim income statement.

**Borrowing costs**

Borrowing costs are recognized in the interim income statement in the period when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.



The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

#### **Segment information**

The Company's principal activity is the production of plant seeds. At the same time, the Company's production and business activities are mainly carried out within the territory of Vietnam. Therefore, the Company's risks and profitability are not significantly affected by differences in the products and the Company's production or by the Company's operations in different geographical areas. Therefore, the Board of Directors considers that the Company has only one segment according to business activities and geographical areas. Accordingly, the Company does not need to present information by segment.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	229,632,723	133,905,537
Bank demand deposits	53,162,001,544	24,081,283,144
Cash equivalents (i)	7,000,000,000	23,000,000,000
	<u><u>60,391,634,267</u></u>	<u><u>47,215,188,681</u></u>

- (i) Cash equivalents represent term deposits at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch with original terms of less than 3 months which interest rate is 1.9% per annum (31 December 2023: 3.5% per annum).

5. FINANCIAL INVESTMENT

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND		VND	
	Cost	Provision	Cost	Provision
<b>Short-term</b>	<b>3,000,000,000</b>	-	-	-
- Term deposits	3,000,000,000	-	-	-
	<u>Closing balance</u>		<u>Opening balance</u>	
	Current period		Current period	
	Cost	Provision	Cost	Provision
<b>Long-term</b>	<b>102,349,764,000</b>	<b>3,349,764,000</b>	<b>102,349,764,000</b>	<b>3,349,764,000</b>
<b>a. Investment in subsidiary (*)</b>				
Southern Seed Equipment Corporation (**)	3,349,764,000	3,349,764,000	3,349,764,000	3,349,764,000
<b>b. Investment in associate (*)</b>				
Vietnam Rice Company Limited (***)	99,000,000,000	-	99,000,000,000	-

- (\*) The Company has not assessed fair value of its financial investments as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

- (\*\*) Southern Seed Equipment Corporation (hereinafter referred to as "SSE") is a Joint Stock Company established in accordance with Vietnam Enterprise Law pursuant to the Business Registration Certificate No. 0309966504 issued by the Department of Planning and Investment of Ho Chi Minh City on 26 April 2010 and its amendments. SSE's head office is located at No. 282 Le Van Sy Street, Ward 1, Tan Binh District, Ho Chi Minh City, S.R. Vietnam. SSE's registered activities under the Business Registration Certificate are agricultural and forestry production, food and beverage processing machinery, repair, maintenance and installation of machinery and equipment. The Company's Annual General Meeting of Shareholders approved the bankruptcy plan of Southern Seed Equipment Corporation under Resolution No. 03/NQ-ĐHĐCĐ dated 13 April 2013 to terminate its operations. Accordingly,

Ho Chi Minh City People's Court issued a decision to open bankruptcy proceedings and is in the process of resolving the bankruptcy according to prevailing regulations. Therefore, the Company's Board of General Directors did not prepare the consolidated financial statements for the 6-month period ended 30 June 2024 of the Company and its solely subsidiary.

(\*\*\*) Vietnam Rice Company Limited ("Vinarice") is a limited liability company with two or more members established in accordance with Vietnam Enterprise Law pursuant to the Investment Registration Certificate ("IRC") No. 740732160 and the Business Registration Certificate No. 140213347 issued by the Department of Planning and Investment of Dong Thap Province on 13 September 2018 and 01 November 2019 respectively and amendments. Vinarice's head office is located at Truong Xuan Industrial Cluster, Truong Xuan Commune, Dong Thap Muoi District, Dong Thap Province, S.R. Vietnam and Vinarice Tra Vinh Branch. Vinarice's main activities in the current period are processing and trading seeds and agricultural products.

The operation status of subsidiary and associate is as follows:

	<u>Current period</u>	<u>Prior period</u>
Southern Seed Equipment Corporation	No business operation in the period	No business operation in the year
Vietnam Rice Company Limited	Operating at profit	Operating at profit

#### 6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Vietnam National Seed Group Joint Stock Company	21,098,551,906	14,052,673,227
Vietnam Rice Company Limited	17,121,231,142	-
Mr. Thoai household business (Dang Van Thoai)	10,580,000,000	-
Others	22,768,489,512	15,456,200,255
	<u>71,568,272,560</u>	<u>29,508,873,482</u>
<b>In which:</b>	<b>38,688,741,088</b>	<b>14,052,673,227</b>
<b>Short-term trade receivables from related parties</b> (Details stated in Note 34)		

#### 7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Hanoi Travel Trading Joint Stock Company	888,000,000	-
Dai Phu Minh Mechanical Company Limited	393,345,300	-
AXAVN Construction Co., Ltd.	55,000,000	834,000,000
Others	5,324,059,237	5,550,608,006
	<u>6,660,404,537</u>	<u>6,384,608,006</u>

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
Receivables from processing service and fixed asset rental	7,917,605,065	4,375,287,470
Advances to employees	3,339,785,605	5,509,905,216
Receivables from deposit and loan interest	2,009,999,999	2,192,416,438
Receivables from associate's profit distribution	-	9,900,000,000
Others	2,342,603,113	2,046,195,692
	<b>15,609,993,782</b>	<b>24,023,804,816</b>
<b>In which: Other receivables from related parties</b> (Details stated in Note 34)	<b>10,130,062,534</b>	<b>16,467,703,908</b>

9. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount VND	Cost	Recoverable amount VND
Mr. Nguyen Ngoc Duc	110,000,000	-	142,247,462	-
Mr. Huynh Tuan Kiet	358,162,654	-	358,162,654	15,492,000
Sinh Tan Agency	141,805,896	-	141,805,896	-
Others	792,880,493	-	903,984,175	-
	<b>1,402,849,043</b>	<b>-</b>	<b>1,546,200,187</b>	<b>15,492,000</b>

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision VND	Cost	Provision VND
Finished goods	129,391,604,893	(3,917,541,247)	54,201,808,775	(3,582,072,522)
Raw materials	18,703,473,728	(1,959,272,838)	17,695,307,409	(1,830,510,395)
Work in progress	2,291,650,369	-	-	-
Merchandise	1,858,003,282	-	765,615,420	-
Tools and supplies	803,190,125	-	953,817,768	-
	<b>153,047,922,397</b>	<b>(5,876,814,085)</b>	<b>73,616,549,372</b>	<b>(5,412,582,917)</b>

During the period, VND 464,231,168 was provided for devaluation of inventories (for the 6-month period ended 30 June 2023, VND 1,786,795,042 was reversed) related to sub-standard inventories.

11. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>a. Current</b>		
Tools and supplies issued for consumption	867,005,794	1,057,078,413
Repair and maintenance cost	283,385,302	254,440,926
Others	226,904,608	11,556,300
	<u><b>1,377,295,704</b></u>	<u><b>1,323,075,639</b></u>
<b>b. Non-current</b>		
Land rental fee	1,256,667,293	1,277,100,911
Tools and supplies issued for consumption	580,771,132	156,860,245
Repair and maintenance cost	314,954,538	515,938,202
Others	74,068,058	110,535,970
	<u><b>2,226,461,021</b></u>	<u><b>2,060,435,328</b></u>

SOUTHERN SEED CORPORATION  
NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
Opening balance	117,631,015,267	52,237,078,864	3,801,494,581	18,378,113,819	192,047,702,531
Additions	3,088,899,883	778,218,000	-	-	3,867,117,883
Disposals	(474,092,609)	(133,760,000)	(56,943,647)	-	(664,796,256)
Closing balance	120,245,822,541	52,881,536,864	3,744,550,934	18,378,113,819	195,250,024,158
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance	78,792,801,142	35,231,129,271	3,592,895,088	15,118,771,029	132,735,596,530
Charge for the period	3,874,931,986	1,640,995,593	35,794,248	574,810,844	6,126,532,671
Disposals	(474,092,609)	(133,760,000)	(56,943,647)	-	(664,796,256)
Closing balance	82,193,640,519	36,738,364,864	3,571,745,689	15,693,581,873	138,197,332,945
<b>NET BOOK VALUE</b>					
Opening balance	38,838,214,125	17,005,949,593	208,599,493	3,259,342,790	59,312,106,001
Closing balance	38,052,182,022	16,143,172,000	172,805,245	2,684,531,946	57,052,691,213

As at 30 June 2024, the cost of the Company's tangible fixed assets includes VND 92,295,485,731 (as at 31 December 2023: VND 90,810,667,505) of assets which have been fully depreciated but are still in use.

13. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS

	Land use rights VND	Copy right, patent VND	Computer software VND	Total VND
<b>COST</b>				
Opening balance	49,827,385,520	3,863,750,000	2,830,823,824	56,521,959,344
Closing balance	49,827,385,520	3,863,750,000	2,830,823,824	56,521,959,344
<b>ACCUMULATED DEPRECIATION</b>				
Opening balance	6,100,196,761	2,227,218,809	1,555,525,436	9,882,941,006
Charge for the period	214,952,352	236,937,504	369,787,500	821,677,356
Closing balance	6,315,149,113	2,464,156,313	1,925,312,936	10,704,618,362
<b>NET BOOK VALUE</b>				
Opening balance	43,727,188,759	1,636,531,191	1,275,298,388	46,639,018,338
Closing balance	43,512,236,407	1,399,593,687	905,510,888	45,817,340,982

As at 30 June 2024, the cost of the Company's intangible fixed assets includes VND 2,980,985,594 (as at 31 December 2023: VND 2,980,985,594) of assets which have been fully depreciated but are still in use.

14. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Branch's factories renovation and repair project	2,921,000,000	3,292,663,830
Rain spray system	-	516,380,723
Others	761,775,124	243,375,124
	<b>3,682,775,124</b>	<b>4,052,419,677</b>

15. DEFERRED INCOME TAX ASSETS

	Closing balance VND	Opening balance VND
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deferred tax assets related to deductible temporary differences	3,869,150,925	4,045,357,321
In which:		
Short-term accrued expense	2,982,236,704	2,890,616,840
Trade discount	550,206,066	818,032,326
Provision for inventory devaluation	336,708,155	336,708,155
Deferred income tax assets	<b>3,869,150,925</b>	<b>4,045,357,321</b>

16. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
Mr. Ngo Phuoc Dung	1,972,502,585	1,972,502,585	2,089,403,825	2,089,403,825
Trung Dong Corporation	1,766,882,680	1,766,882,680	-	-
Mr. Le Minh Tuong	1,540,579,102	1,540,579,102	1,545,791,016	1,545,791,016
Others	14,750,974,466	14,750,974,466	23,289,866,815	23,289,866,815
	<b>20,030,938,833</b>	<b>20,030,938,833</b>	<b>26,925,061,656</b>	<b>26,925,061,656</b>

17. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid/offset during the year	Closing balance
	VND	VND	VND	VND
<b>a. Receivables</b>				
Personal income tax	42,648,390	131,100,397	511,203,458	422,751,451
	<b>42,648,390</b>	<b>131,100,397</b>	<b>511,203,458</b>	<b>422,751,451</b>
<b>b. Payables</b>				
Value added tax	68,112,192	570,401,688	459,733,811	178,780,069
Corporate income tax	11,490,709,800	6,435,434,054	12,565,006,171	5,361,137,683
Land and housing taxes, land rental	-	6,817,208,719	5,915,131,887	902,076,832
Other taxes	-	13,000,000	13,000,000	-
	<b>11,558,821,992</b>	<b>13,836,044,461</b>	<b>18,952,871,869</b>	<b>6,441,994,584</b>

18. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Land rental expense	6,168,993,923	10,651,651,441
Packaging, shipping expense	1,653,500,698	1,638,647,562
Discount and customer service expense	1,034,692,109	2,454,313,881
Royalty expense	678,983,300	1,100,920,600
Others	3,917,474,324	927,834,371
	<b>13,453,644,354</b>	<b>16,773,367,855</b>



19. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Capital contribution contract payables (i)	76,183,750,000	76,183,750,000
Share transfer contract payables (ii)	23,816,250,000	23,816,250,000
Dividend payables	39,919,860,375	104,505,375
Sale discount payables	2,396,441,083	356,167,633
	<u><b>142,316,301,458</b></u>	<u><b>100,460,673,008</b></u>
<b>In which: Other current payables to related parties</b>	<b>25,589,724,000</b>	-
(Details stated in Note 34)		

- (i) Represent the remaining portion of the Le Van Sy land cost that has been paid to Company's bank account voluntarily by counterparty in accordance with the provisions of the land use rights capital contribution contract between the Company and Cantavil Housing Development Company Limited (although the Company did not request or receive any notice from counterparty before the date receiving cash). As at 30 June 2024, the conversion of the land use purpose of the Le Van Sy land lot as well as other conditions of the capital contribution contract, joint venture contract and its annexes that have not been completed.
- (ii) Represent an amount paid in advance by counterparty to the Company in accordance with the provision of joint venture contract and share transfer contract. As at 30 June 2024, these contracts have not been completed and parties participated in these contracts are negotiating to adjust contract terms.

**SOUTHERN SEED CORPORATION  
NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**

**20. SHORT-TERM LOANS**

	Opening balance		In the period		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND					
<b>Short-term bank loan</b>						
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch (i)	-	-	119,709,882,444	29,323,251,614	90,386,630,830	90,386,630,830
Vietnam Joint Stock Commercial Bank for Industry and Trade - Sai Gon Branch (ii)	-	-	62,743,877,041	21,645,883,506	41,097,993,535	41,097,993,535
	-	-	56,966,005,403	7,677,368,108	49,288,637,295	49,288,637,295
	-	-	<b>119,709,882,444</b>	<b>29,323,251,614</b>	<b>90,386,630,830</b>	<b>90,386,630,830</b>

(i) Represent a loan under Agreement No. 54.1/23/CV/SSC dated 24 August 2023 between Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch and the Company with a credit limit of VND 50,000,000,000 to finance short-term credit needs, production and business activities of the Company. The limit maintenance period is from 24 August 2023 to 23 August 2024. The loan term is a maximum of 08 months from the next day of the loan disbursement date and applied to each Debt Receipt. Interest rate is determined at the time of loan disbursement according to the Bank's loan interest rate announcement in each period and applied on each Debt Receipt. The loan is guaranteed by official guarantor and additional guarantor. The official guarantor is the mortgage of the Company's assets approved by the Bank. The guaranteed ratio after conversion (according to the Bank's regulations) with the credit balance at all times is at least 20% - equivalent to the value of five deposit contracts at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch with total value as at 30 June 2024 of VND 10 billion. The additional guarantee according to the Commodity Mortgage Contract No. 08/23/TC/HTK/SSC dated 30 August 2023 is the goods circulating in the production and business process owned by the Company, including but not limited to: rice seeds, corn seeds, vegetable seeds, flowers, agricultural materials stored at: The Company's warehouse at (i) An Thanh Hamlet - Thach Phu Commune - Co Do District - Can Tho; (ii) Phuoc Loc Hamlet - Phuoc Thanh Commune - Cu Chi District - Ho Chi Minh City and other warehouses managed by the Company or rented from third parties for goods storage. As at 30 June 2024, the value of the collateral is VND 152,213,809,790 (31 December 2023: VND 73,616,549,372).

(ii) Represent a loan under Agreement No. 01/2023/HDCVHM/NHCT912-SSC dated 21 June 2023 between Vietnam Joint Stock Commercial Bank for Industry and Trade - Sai Gon Branch and the Company with a credit limit of VND 50,000,000,000 to supplement capital in implementing the 2023-2024 business plan. The limit maintenance period is from 21 June 2023 to 21 June 2024. The loan term is not exceeding 6 months from the next day of the loan disbursement date and applied to each Debt Receipt. Interest rate in the agreement is the adjusted interest rate, recorded on each Debt Receipt and is valid from the time of disbursement until adjustment. The loan is in the form of credit and does not include a guarantee clause.

SOUTHERN SEED CORPORATION  
NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

21. OWNER'S EQUITY

Movement in owner's equity

	Owners' contributed capital	Share premium	Treasury shares	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
<b>For the financial year ended 31 December 2023</b>						
Opening balance	149,923,670,000	8,520,414,412	(116,847,528,444)	128,676,920,650	208,927,147,635	379,200,624,253
Profit for the year	-	-	-	-	54,706,352,618	54,706,352,618
Provision for investment and development funds	-	-	-	5,573,154,168	(5,573,154,168)	-
Provision for bonus and welfare funds	-	-	-	-	(4,053,203,031)	(4,053,203,031)
Distribution to Board of Management and Board of Supervisors	-	-	-	-	(840,578,561)	(840,578,561)
Dividends declared	-	-	-	-	(39,815,355,000)	(39,815,355,000)
<b>Closing balance</b>	<b>149,923,670,000</b>	<b>8,520,414,412</b>	<b>(116,847,528,444)</b>	<b>134,250,074,818</b>	<b>213,351,209,493</b>	<b>389,197,840,279</b>
<b>For the 6-months period ended 30 June 2024</b>						
Opening balance	149,923,670,000	8,520,414,412	(116,847,528,444)	134,250,074,818	213,351,209,493	389,197,840,279
Profit for the period	-	-	-	-	25,048,671,296	25,048,671,296
Provision for investment and development funds (i)	-	-	-	8,205,952,893	(8,205,952,893)	-
Provision for bonus and welfare funds (i)	-	-	-	-	(4,376,508,209)	(4,376,508,209)
Distribution to Executive and Supervisory board	-	-	-	-	(863,000,000)	(863,000,000)
Dividends declared (i)	-	-	-	-	(39,815,355,000)	(39,815,355,000)
<b>Closing balance</b>	<b>149,923,670,000</b>	<b>8,520,414,412</b>	<b>(116,847,528,444)</b>	<b>142,456,027,711</b>	<b>185,139,064,687</b>	<b>369,191,648,366</b>

(i) According to the Resolution No. 01/NQ - ĐHDCD of Annual General Meeting of Shareholders on 22 April 2024, the Board of Management decide to make provision for investment and development funds, bonus and welfare funds equal to 15% and 8% of 2023 profit after tax respectively and divided in cash to existing shareholders equal to 30% of share's par value- which is VND 39,815,355,000.

Charter capital

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Number of shares issued to the public</b>	<b>14,992,367</b>	<b>14,992,367</b>
Ordinary shares	14,992,367	14,992,367
<b>Number of treasury shares</b>	<b>(1,720,582)</b>	<b>(1,720,582)</b>
Ordinary shares	(1,720,582)	(1,720,582)
<b>Number of outstanding shares in circulation</b>	<b>13,271,785</b>	<b>13,271,785</b>
Ordinary shares	13,271,785	13,271,785

An ordinary share has par value of VND 10,000.

22. OFF BALANCE SHEET ITEMS

Goods held under trust

	<u>Closing balance</u>	<u>Opening balance</u>
Goods held under trust (VND) (*)	50,397,885,000	50,397,885,000

(\*) Represent goods of the Department of Crop Production under the Ministry of Agriculture and Rural Development that are stored at the Company's warehouses under Purchase contracts of rice and corn seed for national reserve No. 03/HDMT/DTQG/2021 dated 16 November 2021 and No. 03/HDMB/DTQG/2021 dated 12 May 2022.

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Bad debt written off (VND)</b>	<b>8,220,001,709</b>	<b>7,824,041,432</b>
<b>Foreign currencies:</b>		
<i>United States Dollar (USD)</i>	<i>620.83</i>	<i>651.43</i>

23. GROSS REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
<b>Gross revenue from goods sold and services rendered</b>	<b>195,758,530,864</b>	<b>152,254,820,750</b>
Revenue from finished goods	195,574,657,773	151,737,591,783
Revenue from merchandise	2,650,000	311,211,896
Revenue from services rendered	181,223,091	206,017,071
	<u><b>195,758,530,864</b></u>	<u><b>152,254,820,750</b></u>
<b>In which: Sales to related parties</b> (Details stated in Note 34)	<b>59,410,453,155</b>	<b>30,726,321,426</b>
<b>Deductions</b>	<b>(2,840,012,146)</b>	<b>(4,902,307,256)</b>
Trade discount	(2,463,782,216)	(4,266,209,279)
Sale return	-	(212,759,577)
Sale allowances	(376,229,930)	(423,338,400)
<b>Net revenue from goods sold and services rendered</b>	<u><b>192,918,518,718</b></u>	<u><b>147,352,513,494</b></u>

24. COST OF GOODS SOLD AND SERVICES RENDERED

	Current period	Prior period
	VND	VND
Cost of finished goods sold	135,278,838,298	100,376,632,462
Provision for/Reversal of inventory devaluation	464,231,168	(1,786,795,042)
Cost of merchandise sold	2,702,441	307,615,613
Cost of services rendered	14,471,496	35,401,500
	<b>135,760,243,403</b>	<b>98,932,854,533</b>

25. PRODUCTION COST BY NATURE

	Current period	Prior period
	VND	VND
Raw materials and consumables	201,858,731,830	86,752,798,145
Labour	20,389,668,331	17,293,275,153
Depreciation and amortisation	6,948,210,027	5,442,948,592
Provision expense	(127,859,144)	1,831,108,370
Out-sourced services	9,978,387,870	9,350,469,322
Other monetary expenses	1,791,660,244	2,920,249,736
	<b>240,838,799,158</b>	<b>123,590,849,318</b>

26. FINANCIAL INCOME

	Current period	Prior period
	VND	VND
Bank and loan interest	3,855,850,020	3,833,762,439
Late payment interest	308,492,051	113,439,505
Others	12,862,486	-
	<b>4,177,204,557</b>	<b>3,947,201,944</b>
<b>In which:</b>		
<b>Financial income from related parties</b> (Details stated in Note 34)	<b>3,627,123,285</b>	<b>2,952,767,120</b>

27. FINANCIAL EXPENSES

	Current period	Prior period
	VND	VND
Interest expenses	1,297,958,059	-
Foreign exchange loss	40,512,167	567,200
Settlement discount	44,623,195	300,718,800
	<b>1,383,093,421</b>	<b>301,286,000</b>

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
<b>Selling expenses</b>		
Labour cost	5,881,651,721	4,936,241,269
Depreciation and amortisation	161,488,422	723,351,262
Materials and tools expenses	895,877,820	538,911,427
Out-sourced services	4,079,842,831	6,805,397,603
Other monetary expenses	951,075,591	950,280,457
	<b>11,969,936,385</b>	<b>13,954,182,018</b>
	Current period	Prior period
	VND	VND
<b>General and administration expenses</b>		
Labour cost	8,648,273,630	5,917,565,806
Depreciation and amortisation	1,225,995,528	849,091,501
Out-sourced services	3,320,716,122	1,091,622,014
Provision for bad debts	(127,859,144)	-
Other monetary expenses	4,324,935,902	2,845,533,446
	<b>17,392,062,038</b>	<b>10,703,812,767</b>

29. OTHER INCOME AND EXPENSE

	Current period	Prior period
	VND	VND
<b>OTHER INCOME</b>		
Asset rental	1,813,990,912	2,671,858,213
Disposal of fixed assets	260,471,381	113,320,901
Service rendered	260,463,298	-
Others	1,001,870,436	189,125,627
	<b>3,336,796,027</b>	<b>2,974,304,741</b>
<b>In which:</b>	<b>2,176,452,978</b>	<b>1,556,746,370</b>
<b>Other income from related parties</b> (Details stated in Note 34)		
<b>OTHER EXPENSE</b>		
Asset rental	1,531,513,198	1,844,916,285
Others	735,359,111	2,563,956
	<b>2,266,872,309</b>	<b>1,847,480,241</b>

30. CURRENT CORPORATE INCOME TAX EXPENSE

The current corporate income tax expense for the period was computed as follows:

	Current period	Prior period
	VND	VND
<b>Profit before tax</b>	<b>31,660,311,746</b>	<b>28,534,404,620</b>
Adjustments for taxable profit		
<i>Add back: non-deductible expenses</i>	<i>1,397,890,506</i>	<i>619,864,765</i>
<b>Taxable profit</b>	<b>33,058,202,252</b>	<b>29,154,269,385</b>
<i>Taxable profit at normal tax rate of 20%</i>	<i>33,058,202,252</i>	<i>29,154,269,385</i>
<b>Corporate income tax expense based on taxable profit in the current period</b>	<b>6,611,640,450</b>	<b>5,830,853,877</b>

Deferred corporate income tax expense:

	Current period	Prior period
	VND	VND
<b>Deferred corporate income tax expense</b>		
Deductible temporary differences	176,206,396	(397,864,467)
<b>Total deferred corporate income tax expense</b>	<b>176,206,396</b>	<b>(397,864,467)</b>

31. BASIC EARNINGS PER SHARE

	Current period	Prior period
	VND	VND
Accounting profit after corporate income tax	25,048,671,296	22,703,550,743
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:	(2,003,893,704)	(1,816,284,059)
<i>Decreasing adjustments</i>	<i>(2,003,893,704)</i>	<i>(1,816,284,059)</i>
<i>In which:</i>		
<i>Provision for bonus and welfare funds (*)</i>	<i>(2,003,893,704)</i>	<i>(1,816,284,059)</i>
Profit or loss attributable to ordinary shareholders	23,044,777,592	20,887,266,684
Average ordinary shares in circulation for the period	13,271,785	13,271,785
<b>Basic earnings per share</b>	<b>1,736</b>	<b>1,574</b>

(\*) The bonus and welfare fund for the year ended 31 December 2023 is made in accordance with the 2023 profit distribution plan approved by the General Meeting of Shareholders under Resolution No. 01/NQ-DHĐCĐ on 22 April 2024. Accordingly, the bonus and welfare fund is provided with an amount of VND 4,376,508,209.

The bonus and welfare fund for the 6-month period ended 30 June 2024 is estimated based on the actual provision rate of 2023, which is 8% of the profit after tax.

32. CONTINGENT LIABILITIES

*Land rental fee in Pham Van Coi Commune, Cu Chi District, Ho Chi Minh City*

Company purchased assets from East West Seed Joint Venture Company (EW) in 2013 including land use rights. Pursuant to Decision No. 3201/QĐ-UBND dated 28 June 2014, the Company was approved by the People's Committee of Ho Chi Minh City to use a land lot area of 259,717.2 m<sup>2</sup> in Pham Van Coi Commune, Cu Chi District, Ho Chi Minh City for researching and producing vegetable seeds. Therefore, the Company is obliged to pay land rental from Decision date to 31 December 2020. Currently, the above land area is being used by the Company; however, the Department of Natural Resources and Environment and the Tax Department of Ho Chi Minh City have not yet determined the official land rental price. Therefore, the Company and local authorities have not yet been able to determine the land rental amount for the above leased land for the entire corresponding lease term. The land rental amount has been provisionally accrued by the Company annually based on the land rental price of EW (the former lessee), according to the land rental contract No. 9018/HĐTĐ-GTĐ dated 29 June 2000 between EW and the People's Committee of Ho Chi Minh City. At the date of issuance of these financial statements, the Company has provisionally accrued land rental from July 2014 to June 2024 with the amount of VND 6,012,835,185. The Company will make adjustments and additional payments for the next payment period (if any) when there is an official price and notice from relevant state management agencies.

*Land rental fee in Tan Hiep Commune, Phu Giao District, Binh Duong Province*

The Company signed a land lease contract with the People's Committee of Binh Duong Province on 27 May 2005 of a land lot area of 776,947.3 m<sup>2</sup> in Tan Hiep Commune, Phu Giao District, Binh Duong Province for agricultural use in 20 years from 25 March 2002 to 25 March 2022. The Company carried out procedures to extend the land lease term in 2020 that was approved by the People's Committee of Binh Duong Province for the extension under Decision No. 685/QĐ-UBND dated 13 March 2020.

The Company received Notice of temporary payment of land rental fee in the form of annual No. 12/TB-CCT from the Tax Department of Tan Uyen Area for the above land on 21 April 2022 with the form price is 192 VND/m<sup>2</sup>. Accordingly, the Tax Department of Tan Uyen Area issued Official Letter No. 3424/BPMCPG-CCTKV on 07 June 2022 confirming that the Company had fulfilled its financial obligations regarding land rental fee for the years from 2006 to 2021.

However, the Company received Notice No. 11988/TB-CTBD from the Binh Duong Provincial Tax Department on 15 July 2022 regarding annual payment of land and water surface rental fee. According to this announcement, the land rental fee was adjusted from VND 192/m<sup>2</sup> to VND 5,258/m<sup>2</sup> with a price stabilization period from 13 March 2020 to 13 March 2025.

The Company issued Official Letter No. 334/CV-SSC requesting the People's Committee and the Department of Natural Resources and Environment of Binh Duong Province on 28 October 2022 request to adjust the land price and Department of Natural Resources and Environment of Binh Duong Province was assigned by the People's Committee to consideration and response. Therefore, the Company and local management agencies have not yet been able to determine the land rental amount for the above leased land.



The Company has provisionally paid the entire land rental fee for 2022 with an amount of VND 4,085,188,093 according to Notice No. 11988/TB-CTBD dated 27 October 2022 and 29 November 2022. The Company also paid entire land rental fee for 2023 with an amount of VND 4,085,188,093 on 18 January 2024 according to Notice No. 12/TB-CCT of the Tax Department of Tan Uyen Area which received on the same date. At the end of the interim accounting period, because the Company has not received a notice from the tax authority on the land rental amount payable for 2024, it has provisionally accrued a land rental amount for the first 6 months of 2024 with an amount of VND 2,042,594,452, self-determined and provisionally paid the land rental for the first period of 2024 to fulfil its obligations to the tax authority. The Company will make adjustments and additional payments or refunds for the next payment period (if any).

Due to the uncertainty regarding the value of the land rental fee, the Company's Board of Directors decided to present this land rental amount as a contingent liability in accordance with Vietnamese Accounting Standard No. 18 - Provisions, contingent assets and liabilities.

### 33. COMMITMENTS

#### Operating lease commitments

*Company is lessee*

The Company leases office, warehouse and land under operating leases. At the end of the interim period, future rentals payable under operating leases are presented as follows:

	Closing balance	Opening balance
	VND	VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	1,847,042,726	2,903,380,540
In the second to fifth year inclusive	2,152,548,762	1,911,833,620
After five years	12,298,241,762	10,068,955,750
	<u>16,297,833,250</u>	<u>14,884,169,910</u>

The Company is in the process of signing extensions of land lease contract in Tan Hiep Commune, Phu Giao District, Binh Duong Province with a lease term ended on 25 March 2022, land lease contract in EaTu Commune, Buon Ma Thuot City, Dak Lak Province with a lease term ended on 31 December 2022 and land lease contract in Thach Phu Commune, Co Do District, Can Tho City with a lease term ended on 13 January 2023.

*Company is a lessor*

The Company currently leases office space, land and property under operating leases. At the end of the interim period, future minimum rentals under operating leases are presented as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Within one year	4,368,203,128	3,295,282,280
In the second to fifth year inclusive	13,716,004,966	8,337,460,640
After five years	7,172,370,530	6,971,032,746
	<u><u>25,256,578,624</u></u>	<u><u>18,603,775,666</u></u>

**34. RELATED PARTY TRANSACTIONS AND BALANCES**

*List of related parties with significant transactions and balances for the period:*

<u>Related parties</u>	<u>Relationship</u>
The PAN Group Joint Stock Company	The Ultimate Parent
Vietnam National Seed Group Joint Stock Company	Parent company
Quang Nam National Seed Joint Stock Company	Affiliate
Vietnam Rice Company Limited	Associate
Vinaseed Hanoi Development & Investment Joint Stock Company	Affiliate
Vietnam Agriculture Investment Trading and Export Import Company Limited	Affiliate

*During the period, the Company entered into the following significant transactions with its related parties:*

	Current period	Prior period
	VND	VND
<b>Revenue from goods sold and services rendered</b>		
Vietnam National Seed Group Joint Stock Company	35,705,632,228	30,357,604,721
Vietnam Rice Company Limited	22,338,622,887	368,716,705
Vinaseed Hanoi Development & Investment Joint Stock Company	897,240,000	-
Quang Nam National Seed Joint Stock Company	468,958,040	-
	<u>59,410,453,155</u>	<u>30,726,321,426</u>
<b>Purchases of goods and services</b>		
Vietnam National Seed Group Joint Stock Company	5,399,850,000	13,779,522,970
Vietnam Rice Company Limited	289,737,558	9,430,447,400
	<u>5,689,587,558</u>	<u>23,209,970,370</u>
<b>Loan receivables</b>		
Vietnam National Seed Group Joint Stock Company	10,000,000,000	-
Vietnam Rice Company Limited	-	20,000,000,000
	<u>10,000,000,000</u>	<u>20,000,000,000</u>
<b>Collection of loan principal</b>		
Vietnam National Seed Group Joint Stock Company	35,000,000,000	25,000,000,000
	<u>35,000,000,000</u>	<u>25,000,000,000</u>
<b>Loan interest</b>		
The PAN Group Joint Stock Company	2,493,150,684	-
Vietnam National Seed Group Joint Stock Company	1,133,972,601	2,428,767,120
Vietnam Rice Company Limited	-	524,000,000
	<u>3,627,123,285</u>	<u>2,952,767,120</u>
<b>Dividend payment</b>		
Vietnam National Seed Group Joint Stock Company	25,589,724,000	19,192,293,000
	<u>25,589,724,000</u>	<u>19,192,293,000</u>
<b>Dividend received</b>		
Vietnam Rice Company Limited	9,900,000,000	-
	<u>9,900,000,000</u>	<u>-</u>
<b>Other income from asset rental and service rendered</b>		
Vietnam National Seed Group Joint Stock Company	1,988,396,461	1,245,966,995
Vietnam Rice Company Limited	188,056,517	310,779,375
	<u>2,176,452,978</u>	<u>1,556,746,370</u>

*Significant balances with related parties as at the balance sheet date were as follows:*

	Closing balance	Opening balance
	VND	VND
<b>Short-term trade receivables</b>		
Vietnam National Seed Group Joint Stock Company	21,098,551,906	14,052,673,227
Vietnam Rice Company Limited	17,121,231,142	-
Quang Nam National Seed Group Stock Company	468,958,040	-
	<b>38,688,741,088</b>	<b>14,052,673,227</b>
<b>Short-term loan receivables</b>		
The PAN Group Joint Stock Company (*)	100,000,000,000	100,000,000,000
Vietnam National Seed Group Joint Stock Company (**)	30,000,000,000	55,000,000,000
	<b>130,000,000,000</b>	<b>155,000,000,000</b>
<b>Other short-term receivables</b>		
Vietnam National Seed Group Joint Stock Company	8,365,961,229	4,371,098,737
The PAN Group Joint Stock Company	1,561,643,835	2,035,616,438
Vietnam Rice Company Limited	71,970,000	9,900,000,000
Vietnam Agriculture Investment Trading and Export Import Company Limited	130,487,470	160,988,733
	<b>10,130,062,534</b>	<b>16,467,703,908</b>
<b>Other short-term payables</b>		
Vietnam National Seed Group Joint Stock Company	25,589,724,000	-
	<b>25,589,724,000</b>	-

(\*) The loan to PAN Group Joint Stock Company under Loan Agreement No. 01/2023/HDV/SSC-PAN dated 06 September 2023 and the attached appendices has a value of VND 100 billion. The loan bears a fixed interest rate of 5% per annum, maturing on 09 September 2024.

(\*) The loan to Vietnam National Seed Group Joint Stock Company under Loan Agreement No. 01/HDTD/SSC-NSC dated 25 May 2020 and the attached appendices has a value of VND 30 billion. The loan bears a fixed interest rate until 10 June 2024 of 5.2% per annum, and is further extended according to Contract Appendix No. 16 dated 11 June 2024 to 11 September 2024 with a fixed interest rate of 4% per annum.

*Remunerations paid to the Board of Management, Board of General, Chief Accountant, and Board of Supervisors during the period:*

		Current period	Prior period
		VND	VND
<b>Board of Management</b>		<b>563,000,000</b>	<b>494,036,915</b>
Ms. Tran Kim Lien	Chairwoman	108,000,000	100,722,196
Mr. Hang Phi Quang	Member	108,000,000	91,148,131
Mr. Nguyen Quoc Phong	Member	96,000,000	-
Mr. Nguyen Dinh Nam	Member (resigned on 04 April 2024)	108,000,000	100,722,196
Mr. Bui Quang Son	Member (resigned on 10 March 2023)	35,000,000	100,722,196
Mr. Duong Quang Sau	Member	108,000,000	100,722,196
<b>Board of Directors</b>		<b>1,734,800,000</b>	<b>2,131,799,269</b>
Mr. Dang Van Vinh	General Director	443,000,000	-
Mr. Nguyen Dinh Nam	Deputy General Director	532,000,000	1,153,270,808
Mr. Nguyen Quoc Phong	Deputy General Director	423,000,000	620,991,924
Ms. Nguyen Thi Phong	Deputy General Director	336,800,000	357,536,537
<b>Chief accountant</b>		<b>244,000,000</b>	<b>379,045,000</b>
Mr. Lam Tuan Lac	Chief accountant	244,000,000	379,045,000
<b>Board of Supervisors</b>		<b>172,800,000</b>	<b>185,263,842</b>
Mr. Phan The Ty	Head of Board of Supervisors	57,600,000	61,754,614
Ms. Nguyen Thi Thanh Ha	Member	57,600,000	61,754,614
Ms. Van Thi Ngoc Anh	Member	57,600,000	61,754,614
		<b>2,714,600,000</b>	<b>3,190,145,026</b>

  
Ma Hoang Kim Trang  
Preparer

  
Lam Tuan Lac  
Chief Accountant

  
Dang Van Vinh  
General Director

10 August 2024

