

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

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 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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SOUTHERN SEED CORPORATION

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

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 financial statements for the year ended 31 December 2024.

THE BOARD OF MANAGEMENT AND GENERAL DIRECTORS

The members of the Board of Management, the Board of General Directors and the Board of Supervisors of the Company during the year 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. Dang Van Vinh	Member (appointed on 22 April 2024)
Mr. Nguyen Dinh Nam	Member (resigned on 04 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’ STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of General Directors is required to:

SOUTHERN SEED CORPORATION

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

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 financial statements;
- Prepare the 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 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 financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 financial statements.

For and on behalf of the Board of General Directors,



Dang Van Vinh
General Director

20 March 2025

No: 0725/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Southern Seed Corporation (the "Company"), prepared on 20 March 2025 as set out from page 05 to page 33, which comprise the balance sheet as at 31 December 2024, the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of General Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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.



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Phạm Tuấn Linh
Deputy General Director
Audit Practising Registration Certificate
No. 3001-2024-001-1

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Hoang Le Thu Phuong
Auditor
Audit Practising Registration Certificate
No. 5603-2025-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

20 March 2025
Hanoi, S.R. Vietnam

BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS		Codes	Notes	Closing balance	Opening balance
A.	CURRENT ASSETS	100		320,398,075,041	330,171,457,282
I.	Cash and cash equivalents	110	4	13,329,545,276	47,215,188,681
1.	Cash	111		13,329,545,276	24,215,188,681
2.	Cash equivalents	112		-	23,000,000,000
II.	Short-term receivables	130		190,827,915,881	213,386,578,117
1.	Short-term trade receivables	131	6	44,110,191,565	29,508,873,482
2.	Short-term advances to suppliers	132	7	9,257,658,968	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	8,957,836,897	24,023,804,816
5.	Provision for short-term doubtful debts	137	9	(1,497,771,549)	(1,530,708,187)
III.	Inventories	140	10	115,014,642,142	68,203,966,455
1.	Inventories	141		120,736,314,937	73,616,549,372
2.	Provision for devaluation of inventories	149		(5,721,672,795)	(5,412,582,917)
IV.	Other short-term assets	150		1,225,971,742	1,365,724,029
1.	Short-term prepayments	151	11	1,225,971,742	1,323,075,639
2.	Taxes and other receivables from the State budget	153	17	-	42,648,390
B.	NON-CURRENT ASSETS	200		206,259,982,460	215,895,452,895
I.	Long-term receivables	210		824,714,000	-
1.	Other long-term receivables	216		824,714,000	-
II.	Fixed assets	220		97,722,532,425	105,951,124,339
1.	Tangible fixed assets	221	12	52,280,095,439	59,312,106,001
	- Cost	222		194,789,881,445	192,047,702,531
	- Accumulated depreciation	223		(142,509,786,006)	(132,735,596,530)
2.	Intangible assets	227	13	45,442,436,986	46,639,018,338
	- Cost	228		56,965,334,468	56,521,959,344
	- Accumulated amortisation	229		(11,522,897,482)	(9,882,941,006)
III.	Long-term assets in progress	240		2,921,000,000	4,052,419,677
1.	Construction in progress	242	14	2,921,000,000	4,052,419,677
IV.	Long-term financial investments	250	5	99,000,000,000	99,000,000,000
1.	Investments in subsidiaries	251		3,349,764,000	3,349,764,000
2.	Investments in 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)
V.	Other long-term assets	260		5,791,736,035	6,891,908,879
1.	Long-term prepayments	261	11	2,417,061,729	2,060,435,328
2.	Deferred tax assets	262	15	3,374,674,306	4,045,357,321
3.	Other long-term assets	268		-	786,116,230
TOTAL ASSETS (270=100+200)		270		526,658,057,501	546,066,910,177

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		143,630,658,708	156,869,069,898
I. Current liabilities	310		143,630,658,708	156,869,069,898
1. Short-term trade payables	311	16	3,853,410,559	26,925,061,656
2. Short-term advances from customers	312		2,337,082,703	444,920,652
3. Taxes and amounts payable to the State budget	313	17	1,356,067,048	11,558,821,992
4. Payables to employees	314		481,520,522	661,587,970
5. Short-term accrued expenses	315	18	10,511,480,778	16,773,367,855
6. Other current payables	319	19	101,798,544,774	100,460,673,008
7. Short-term loans	320	20	23,170,608,010	-
8. Bonus and welfare funds	322		121,944,314	44,636,765
D. EQUITY	400		383,027,398,793	389,197,840,279
I. Owner's equity	410	21	383,027,398,793	389,197,840,279
1. Owner's contributed capital	411		149,923,670,000	149,923,670,000
- Ordinary shares carrying voting rights	411a		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		141,160,027,711	134,250,074,818
5. Retained earnings	421		200,270,815,114	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 year	421b		40,180,421,723	54,706,352,618
TOTAL RESOURCES (440=300+400)	440		526,658,057,501	546,066,910,177


Ma Hoang Kim Trang
Preparer

Lam Tuan Lac
Chief AccountantDang Van Vinh
General Director

20 March 2025

INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	23	396,258,527,121	316,706,012,056
2. Deductions	02	23	8,195,925,258	14,733,996,221
3. Net revenue from goods sold and services rendered (10=01-02)	10	23	388,062,601,863	301,972,015,835
4. Cost of sales	11	24	276,874,913,721	203,165,490,134
5. Gross profit from goods sold and services rendered (20=10-11)	20		111,187,688,142	98,806,525,701
6. Financial income	21	26	7,713,545,534	18,390,224,563
7. Financial expenses	22	27	2,824,430,036	860,986,722
- In which: Interest expense	23		2,713,851,582	487,833,639
8. Selling expenses	25	28	25,786,761,294	25,611,131,679
9. General and administration expenses	26	28	37,582,558,718	35,348,223,220
10. Operating profit (30=20+(21-22)-(25+26))	30		52,707,483,628	55,376,408,643
11. Other income	31	29	6,092,630,439	16,417,779,593
12. Other expenses	32	29	4,801,216,724	4,073,223,697
13. Profit from other activities (40=31-32)	40		1,291,413,715	12,344,555,896
14. Accounting profit before tax (50=30+40)	50		53,998,897,343	67,720,964,539
15. Current corporate income tax expense	51	30	10,809,249,542	13,634,666,529
16. Deferred corporate tax expense/(income)	52	30	670,683,015	(620,054,608)
17. Net profit after corporate income tax (60=50-51-52)	60		42,518,964,786	54,706,352,618
18. Basic earnings per share	70	31	3,028	3,727


Ma Hoang Kim Trang
Preparer

Lam Tuan Lac
Chief Accountant

Dang Van Vinh
General Director

20 March 2025

CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	53,998,897,343	67,720,964,539
Depreciation and amortisation of fixed assets	02	13,985,097,571	12,064,395,350
Provisions	03	276,153,240	(1,930,724,194)
Foreign exchange gain arising from translating foreign currency items	04	(658,500)	(464,716)
Gain from investing activities	05	(7,993,804,045)	(29,801,914,211)
Interest expense	06	2,713,851,582	487,833,639
2. <i>Operating profit before movements in working capital</i>	08	62,979,537,191	48,540,090,407
Increase, decrease in receivables	09	(11,879,132,671)	49,434,640,667
Increase, decrease in inventories	10	(47,119,765,565)	(17,431,992,633)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	(25,006,798,837)	3,031,576,685
Increase, decrease in prepaid expenses	12	(259,522,504)	(604,354,816)
Interest paid	14	(2,713,851,582)	(487,833,639)
Corporate income tax paid	15	(21,765,401,194)	(4,093,806,650)
Other cash outflows	17	(7,933,743,723)	(6,427,022,835)
<i>Net cash (used in)/generated by operating activities</i>	20	(53,698,678,885)	71,961,297,186
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(6,928,194,269)	(28,021,316,533)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	819,000,000	11,834,719,553
3. Cash outflow for lending, buying debt instruments of other entities	23	(13,000,000,000)	(140,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	38,000,000,000	85,000,000,000
5. Interest earned, dividends and profits received	27	17,539,846,239	7,444,587,909
<i>Net cash generated by/(used in) investing activities</i>	30	36,430,651,970	(63,742,009,071)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	187,177,909,102	32,866,245,682
2. Repayment of borrowings	34	(164,007,301,092)	(32,866,245,682)
3. Dividends and profits paid	36	(39,788,883,000)	(39,821,139,000)
<i>Net cash (used in) financing activities</i>	40	(16,618,274,990)	(39,821,139,000)
<i>Net (decreases) in cash (50=20+30+40)</i>	50	(33,886,301,905)	(31,601,850,885)
<i>Cash and cash equivalents at the beginning of the year</i>	60	47,215,188,681	78,816,574,850
<i>Effects of changes in foreign exchange rates</i>	61	658,500	464,716
<i>Cash and cash equivalents at the end of the year (70=50+60+61)</i>	70	13,329,545,276	47,215,188,681


Ma Hoang Kim Trang
Preparer

Lam Tuan Lac
Chief AccountantDang Van Vinh
General Director

20 March 2025

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying 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 parent company and the ultimate parent company of the Company are Vietnam National Seed Group Joint Stock Company and PAN Group Joint Stock Company, respectively.

The Company's shares have been officially listed and traded on the Ho Chi Minh City Stock Exchange (HOSE) with the stock code SSC since 01 March 2005.

The total number of employees of the Company as of 31 December 2024 is 142 (as of 31 December 2023: 142 people).

The Company has its registered head office at 282 Le Van Sy Street, Ward 1, Tan Binh District, Ho Chi Minh City, Vietnam and the following affiliated units:

No. Affiliated units**Address**

1. Southern Seed Corporation - Cu Chi Branch	Phuoc Thanh Commune, Cu Chi District, Ho Chi Minh City
2. Southern Seed Corporation - Cai Lay Branch	Nhi My Ward, Cai Lay Town, Tien Giang Province
3. Southern Seed Corporation - Co Do Branch	Thanh Phu Commune, Co Do District, Can Tho City
4. Southern Seed Corporation - Lam Ha Branch	Tan Van Commune, Lam Ha District, Lam Dong Province
5. Southern Seed Corporation - Phu Giao Branch	Tan Hiep Commune, Phu Giao District, Binh Duong Province
6. Southern Seed Corporation – Mien Trung Branch	Trang Nhat II Industrial Cluster – Dien Hoa Commune, Dien Ban District, Quang Nam Province
7. Southern Seed Corporation - Cambodia Branch	56 AL, Street 230, Beng Salang Commune, Tuol Kork District, Phnom Penh Capital, Kingdom of Cambodia
8. Southern Seed Corporation - Tra Vinh Branch	Lot C, Street No. 1, Long Duc Industrial Park, Long Duc Commune, Tra Vinh City
9. Southern Seed Corporation - Southern Seed Research Center	Pham Van Coi Commune, Cu Chi District, Ho Chi Minh City
10. Southern Seed Corporation - Center for Trading & Developing Vegetable & Flower Seeds (i)	No. 20 Cong Hoa, Ward 12, Tan Binh District, Ho Chi Minh City
11. Representative Office - Southern Seed Corporation (ii)	OPP-5 5th Floor, Orchard Parkview Commercial Tower, No. 130-132, Hong Ha, Ward 09, Phu Nhuan District, Ho Chi Minh City

- (i) According to the Resolution of the Board of Management No. 01/NQ-HDQT dated 06 January 2025, the Company has approved the dissolution Center for Trading & Developing Vegetable & Flower Seeds.

- (ii) The Company completes the procedures for registering the operation of the representative office on 23 January 2025.

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 31 December 2024 are as follows:

Company name	Location	Proportion of ownership interest	Proportion of voting power held	Main business
Subsidiary				
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
Associate				
Vietnam Rice Company Limited	Dong Thap Province	30.00%	30.00%	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-DHĐCĐ 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 year ended 31 December 2024 of the Company and its solely subsidiary.

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2023.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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 financial reporting.

The accompanying 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.

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 financial statements and the reported amounts of revenues and expenses during the financial year. 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

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, associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of these investments 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 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.

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

	Years
Buildings and structures	04 – 20
Machinery and equipment	02 – 12
Management tools and equipment	03 – 07
Motor vehicles	02 – 08

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between the net proceeds from sales or disposals of assets and their carrying amount and is recognised in the income statement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are charged to the income statement when incurred.

The Company as lessee

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 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.

Seed patents are measured initially at purchase cost and are amortised on the straight-line basis over their estimated useful lives from 03 to 20 years.

Computer software is measured initially at purchase cost and is amortized on the straight-line basis over 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 and are charged to the income statement using the straight-line method over the lease term.

Repair cost for fixed assets are expenses for maintenance, repair, replacement of assets incurred during operation in order to restore the asset's operational capacity to their original operating state.

Other types of prepayments comprise costs of small tools, supplies and spare parts issued for consumption and other prepaid expenses which are expected to provide future economic benefits to the Company and are allocated to the income statement using the straight-line method in accordance with the prevailing accounting regulations.

Profit distribution

Net profit after corporate income tax may be distributed to shareholders upon approval by the General Meeting of Shareholders and after allocating funds in accordance with the Company's Charter and Vietnamese law.

The Company shall allocate the following funds from net profit after corporate income tax as requested by the Board of Management and approved by shareholders at the Annual General Meeting of Shareholders.

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, investment interest

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

Investment interest is recognised when the Group's right to receive payment has been established.

Dividends

Revenue is recognised when the Company's right to receive the dividend payment is established.

Sales deductions

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

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

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 income statement.

Borrowing costs

Borrowing costs are recognized in the income statement in the year 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 year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years 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 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 year 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 Company's products or by the Company's operations in different geographical areas. Therefore, the Board of General 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

	Closing balance	Opening balance
	VND	VND
Cash on hand	134,278,454	133,905,537
Bank demand deposits	13,195,266,822	24,081,283,144
Cash equivalents (i)	-	23,000,000,000
	13,329,545,276	47,215,188,681

5. FINANCIAL INVESTMENT

	Closing balance		Opening balance	
	VND		VND	
	Cost	Provision	Cost	Provision
Long-term	102,349,764,000	3,349,764,000	102,349,764,000	3,349,764,000
a. Investment in subsidiary (*)				
Southern Seed Equipment Corporation (**)	3,349,764,000	3,349,764,000	3,349,764,000	3,349,764,000
b. Investment in associate (*)				
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 year ended 31 December 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. Vinarice's main activities in the current year are processing and trading seeds and agricultural products.

The operation status of subsidiary and associate is as follows:

	Current year	Prior year
Southern Seed Equipment Corporation	No business operation in the year	No business operation in the year
Vietnam Rice Company Limited	Operating at profit	Operating at profit

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Vietnam National Seed Group Joint Stock Company	17,087,412,519	14,052,673,227
Others	27,022,779,046	15,456,200,255
	44,110,191,565	29,508,873,482
In which:		
Short-term trade receivables from related parties (Details stated in Note 34)	17,087,412,519	14,156,115,227

As of 31 December 2024, certain receivables from third parties arising during business operations are being used as collateral for loans at commercial banks (details in Note 20).

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Mr. Le Hung Phong	1,268,292,817	-
Ms. Le Thuy Thao Trang	642,071,360	-
AXAVN Construction Limited Company	-	834,000,000
Others	7,347,294,791	5,550,608,006
	9,257,658,968	6,384,608,006

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Receivables from processing service and fixed asset rental	916,092,080	4,375,287,470
Advances to employees	3,701,336,859	5,509,905,216
Receivables from deposit and loan interest	1,798,630,136	2,192,416,438
Receivables from associate's profit distribution	-	9,900,000,000
Others	2,541,777,822	2,046,195,692
	8,957,836,897	24,023,804,816
In which:		
Other receivables from related parties (Details stated in Note 34)	2,714,722,216	16,467,703,908

9. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
		VND		VND
Mr. Huynh Tuan Kiet	358,162,654	-	358,162,654	15,492,000
Sinh Tan Agency	141,805,896	-	141,805,896	-
Others	997,802,999	-	1,046,231,637	-
	1,497,771,549	-	1,546,200,187	15,492,000

10. INVENTORIES

		Closing balance		Opening balance
		VND		VND
	Cost	Provision	Cost	Provision
Finished goods	97,299,485,129	(3,803,363,564)	54,201,808,775	(3,582,072,522)
Raw materials	18,581,510,055	(1,877,039,879)	17,695,307,409	(1,830,510,395)
Work in progress	2,577,641,433	-	-	-
Merchandise	1,650,206,651	(41,269,352)	765,615,420	-
Tools and supplies	627,471,669	-	953,817,768	-
	120,736,314,937	(5,721,672,795)	73,616,549,372	(5,412,582,917)

During the year, the Company made an additional provision for inventory devaluation amounting to VND 309,089,878 (2023: reversal of VND 1,901,902,866).

As at 31 December 2024, certain circulating inventories are being used as collateral for loans at commercial banks (details in Note 20).

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Tools and supplies issued for consumption	949,476,050	1,057,078,413
Repair and maintenance cost	251,522,347	254,440,926
Others	24,973,345	11,556,300
	1,225,971,742	1,323,075,639
b. Non-current		
Land rental fee	1,236,233,675	1,277,100,911
Tools and supplies issued for consumption	1,006,718,628	156,860,245
Repair and maintenance cost	132,353,450	515,938,202
Others	41,755,976	110,535,970
	2,417,061,729	2,060,435,328

SOUTHERN SEED CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
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	1,451,564,000	-	772,666,650	5,313,130,533
Disposals	(742,410,791)	(133,760,000)	(56,943,647)	(1,637,837,181)	(2,570,951,619)
Closing balance	119,977,504,359	53,554,882,864	3,744,550,934	17,512,943,288	194,789,881,445
ACCUMULATED DEPRECIATION					
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 year	7,885,513,003	3,327,588,723	69,839,810	1,062,199,559	12,345,141,095
Disposals	(742,410,791)	(133,760,000)	(56,943,647)	(1,637,837,181)	(2,570,951,619)
Closing balance	85,935,903,354	38,424,957,994	3,605,791,251	14,543,133,407	142,509,786,006
NET BOOK VALUE					
Opening balance	38,838,214,125	17,005,949,593	208,599,493	3,259,342,790	59,312,106,001
Closing balance	34,041,601,005	15,129,924,870	138,759,683	2,969,809,881	52,280,095,439

As at 31 December 2024, the cost of the Company's tangible fixed assets includes VND 99,881,968,796 (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 (i) VND	Copy right, patent VND	Computer software VND	Total VND
COST				
Opening balance	49,827,385,520	3,863,750,000	2,830,823,824	56,521,959,344
Additions	-	200,000,000	243,375,124	443,375,124
Closing balance	49,827,385,520	4,063,750,000	3,074,198,948	56,965,334,468
ACCUMULATED DEPRECIATION				
Opening balance	6,100,196,761	2,227,218,809	1,555,525,436	9,882,941,006
Charge for the year	429,904,704	460,336,142	749,715,630	1,639,956,476
Closing balance	6,530,101,465	2,687,554,951	2,305,241,066	11,522,897,482
NET BOOK VALUE				
Opening balance	43,727,188,759	1,636,531,191	1,275,298,388	46,639,018,338
Closing balance	43,297,284,055	1,376,195,049	768,957,882	45,442,436,986

As at 31 December 2024, the cost of the Company's intangible fixed assets includes VND 3,374,735,594 (as at 31 December 2023: VND 2,980,985,594) of assets which have been fully depreciated but are still in use.

- (i) Included in the value of Land Use Rights is the value of the land at 282 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh City ("Le Van Sy Land"). According to the Joint Venture Contract dated 03 September 2014 and the appendices to the Joint Venture Contract signed between the Company and Daewon Cantavil Joint Stock Company ("Daewon" - formerly known as Daewon - Thu Duc Housing Development Joint Stock Company), the Company has used a part of the value of the Le Van Sy Land Cost (including the value of land use rights and assets on the land) as agreed with Daewon, equivalent to VND 23,816,250,000 to contribute capital to establish Cantavil Housing Development Company Limited ("Cantavil"). The remaining portion of the Le Van Sy Land Cost at the agreed value will be paid back by Cantavil to the Company according to the timeline/conditions stipulated in the Joint Venture Contract. On the same day of 03 September 2014, the Company also signed a Transfer Contract, according to which the Company transfers the property rights, which is the value of the Company's capital contribution at Cantavil to Daewon, and the implementation of this transfer contract will depend on the conditions stated in the Transfer Contract as well as some other conditions of the Joint Venture Contract mentioned above.

As at 31 December 2024, due to the fact that the conversion of land use purpose of Le Van Sy Land has not been completed and the conditions, including the prerequisites of the Joint Venture Contract, have expired, the Company has not yet handed over Le Van Sy Land to Cantavil and has not yet recorded the benefits and costs related to the implementation of the above Joint Venture Contract and Transfer Contract.

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
Others	-	759,755,847
	2,921,000,000	4,052,419,677

15. DEFERRED INCOME TAX ASSETS

	Closing balance	Opening balance
	VND	VND
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deferred tax assets related to deductible temporary differences	3,374,674,306	4,045,357,321
Deferred tax assets	3,374,674,306	4,045,357,321

16. SHORT-TERM TRADE PAYABLES

	Closing balance	Opening balance
	VND	VND
Amount/Amount able to be paid off	Amount/Amount able to be paid off	Amount/Amount able to be paid off
Vietnam Rice Company Limited	706,312,942	-
Mr. Le Phong Trinh	651,082,938	1,296,435,278
Trung Dong Corporation	645,055,716	-
Mr. Truong Phu Quoc	-	4,743,951,819
Mr. Le Van Son	-	3,614,628,414
Others	1,850,958,963	17,270,046,145
	3,853,410,559	26,925,061,656
In which:		
Short-term trade payables to related parties (Details stated in Note 34)	907,576,942	97,650,000

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

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
a. Receivables				
Personal income tax	42,648,390	42,648,390	-	-
	42,648,390	42,648,390	-	-
b. Payables				
Value added tax	68,112,192	1,772,198,251	1,075,629,951	764,680,492
Corporate income tax	11,490,709,800	10,809,249,542	21,765,401,194	534,558,148
Land and housing taxes, land rental	-	8,916,346,636	8,916,346,636	-
Personal income tax	-	746,501,990	689,673,582	56,828,408
Other taxes	-	12,000,000	12,000,000	-
	11,558,821,992	22,256,296,419	32,459,051,363	1,356,067,048

18. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Land rental expense	6,457,217,824	10,651,651,441
Royalty expense	1,334,365,100	1,100,920,600
Others	2,719,897,854	5,020,795,814
	10,511,480,778	16,773,367,855

19. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Payables to Cantavil Housing Development Company Limited (i)	76,183,750,000	76,183,750,000
Payables to Daewon Cantavil Joint Stock Company (ii)	23,816,250,000	23,816,250,000
Others	1,798,544,774	460,673,008
	<u>101,798,544,774</u>	<u>100,460,673,008</u>

- (i) Represent the remaining portion of the Le Van Sy land cost that has been paid to Company's bank account voluntarily by counterparty (although the Company did not request or receive any notice from counterparty before the date receiving cash). As at 31 December 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 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 Transfer Contract. As at 31 December 2024, these contracts have not been completed and parties participated in these contracts are negotiating to adjust contract terms.

20. SHORT - TERM LOANS

	<u>Opening balance</u>		<u>In the year</u>	<u>Closing balance</u>
	VND		VND	VND
	Amount/ Amount	Increases	Decreases	Amount/ Amount
	able to be paid off			able to be paid off
Vietnam Joint Stock Commercial Bank for Industry and Trade - Sai Gon Branch (i)	- 91,700,065,912		68,529,457,902	23,170,608,010
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch (ii)	- 95,477,843,190		95,477,843,190	-
	<u>- 187,177,909,102</u>		<u>164,007,301,092</u>	<u>23,170,608,010</u>

- (i) The loan under Credit Limit Loan Agreement No. 01/2024/HĐCVHM/NHCT912-SSC dated August 23, 2024, with Vietnam Joint Stock Commercial Bank for Industry and Trade – Saigon Branch, is intended to supplement capital for the Company's business plan for 2024–2025. The credit limit is VND 90,000,000,000. The credit limit maintenance period is from 23 August 2024 to 30 June 2025. The loan term for each disbursement shall not exceed six months. The loan interest rate is specified in each debt receipt. The loan is secured by circulating inventory formed from the loan and receivables arising from the Company's business operations, with a minimum value of VND 100,000,000,000 at all times (as presented in Note 6 and Note 10).
- (ii) Under Credit Facility Agreement No. 46/24/CTD/SSC dated 24 July 2024, with Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch, the Company was granted a credit limit of VND 100,000,000,000. The credit limit is maintained until 10 July 2025. The loan is primarily secured by the Company's deposits, with a minimum conversion rate of 10% of the outstanding credit balance. Additionally, the loan is further secured by circulating inventory and receivables from the Company's business operations, with a minimum value equal to the outstanding credit balance. As at 31 December 2024, the outstanding loan balance at this bank was VND 0.

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
Prior year's 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 Management and Supervisory board	-	-	-	-	(840,578,561)	(840,578,561)
Dividends declared	-	-	-	-	(39,815,355,000)	(39,815,355,000)
Prior year's closing 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 year	-	-	-	-	42,518,964,786	42,518,964,786
Dividends declared (i)	-	-	-	-	(39,815,355,000)	(39,815,355,000)
Provision for investment and development funds (i)	-	-	-	8,205,952,893	(8,205,952,893)	-
Provision for bonus and welfare funds (i)	-	-	-	-	(6,715,051,272)	(6,715,051,272)
Distribution to Management and Supervisory board (i)	-	-	-	-	(863,000,000)	(863,000,000)
Fund disbursement (ii)	-	-	-	(1,296,000,000)	-	(1,296,000,000)
Current year's closing balance	149,923,670,000	8,520,414,412	(116,847,528,444)	141,160,027,711	200,270,815,114	383,027,398,793

(i) The Company has allocated funds, distributed dividends, and paid remuneration to the Board of Management and the Supervisory Board from the 2023 profit in accordance with Resolution No. 01/NQ-ĐHĐCĐ dated 22 April 2024 of the General Meeting of Shareholders.

According to this Resolution, the Company has also made a provisional allocation of the bonus and welfare fund from the 2024 post-tax profit, amounting to VND 2,338,543,063, equivalent to 5.5% of the 2024 post-tax profit. This provisional allocation will be submitted for approval at the next General Meeting of Shareholders, and any differences (if any) will be adjusted accordingly in the financial statements.

(ii) The Company has utilized a portion of the development investment fund to support the implementation of projects aimed at enhancing business efficiency.

Charter capital

According to the amended Enterprise Registration Certificate, the Company's charter capital is VND 149,923,670,000. As at 31 December 2024, the charter capital has been fully contributed by the shareholders as follows:

	Contributed capital			
	Closing balance		Opening balance	
	VND	%	VND	%
Vietnam National Seed Group Joint Stock Company	127,948,620,000	85.34%	127,948,620,000	85.34%
Other shareholders	4,769,230,000	3.18%	4,769,230,000	3.18%
	132,717,850,000	88.52%	132,717,850,000	88.52%
Treasury shares	17,205,820,000	11.48%	17,205,820,000	11.48%
	149,923,670,000	100.00%	149,923,670,000	100.00%

Shares

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

	Closing balance	Opening balance
Goods held under trust (VND) (*)	40,394,450,000	50,397,885,000

(*) Represent goods of the Department of Crop Production and Plant Protection under Ministry of Agriculture and Environment (formerly known as 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.

Foreign currencies:

	Closing balance	Opening balance
- United States Dollar (USD)	582.38	651.43
- Euro (EUR)	1.48	1.48

	Closing balance	Opening balance
Bad debts written off (VND)	7,951,900,576	7,824,041,432

As at 31 December 2024, the Company has written off the following significant bad debts:

	<u>Closing balance</u>	<u>Opening balance</u>	<u>Reason</u>
Southern Seed Equipment Corporation	1,592,475,697	1,592,475,697	Undergoing bankruptcy proceedings
Dong Cuu Agricultural Service Cooperative	1,194,600,000	1,194,600,000	Stop operating and have completed the procedures for invalidation of tax identification numbers
Others	5,164,824,879	5,036,965,735	
	<u>7,951,900,576</u>	<u>7,824,041,432</u>	

23. GROSS REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Revenue from goods and services rendered	396,258,527,121	316,706,012,056
Revenue from finished goods	393,106,256,643	315,804,780,118
Revenue from merchandise	-	287,805,812
Revenue from services rendered	3,152,270,478	613,426,126
	<u>396,258,527,121</u>	<u>316,706,012,056</u>
In which:		
Sales to related parties (Details stated in Note 34)	91,055,336,263	48,029,172,338
Deductions	(8,195,925,258)	(14,733,996,221)
Trade discount	(4,317,523,008)	(13,167,412,001)
Sale return	(3,878,402,250)	(945,338,400)
Sale allowances	-	(621,245,820)
Net revenue from goods sold and services rendered	<u>388,062,601,863</u>	<u>301,972,015,835</u>

24. COST OF GOODS SOLD AND SERVICES RENDERED

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Cost of finished goods sold	273,457,475,329	204,264,308,400
Cost of merchandise sold	-	306,790,353
Cost of services rendered	3,108,348,514	496,294,247
Provision for/(reversal of) inventory devaluation	309,089,878	(1,901,902,866)
	<u>276,874,913,721</u>	<u>203,165,490,134</u>

25. PRODUCTION COST BY NATURE

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Raw materials and consumables	281,563,697,732	186,013,718,053
Labour	45,758,918,837	36,186,590,211
Depreciation and amortisation	10,744,241,524	9,528,067,864
Provision expense	276,153,240	(1,930,724,194)
Out-sourced services	16,243,387,038	15,500,853,386
Other monetary expenses	23,048,656,027	12,057,227,699
Land rental expense	3,484,709,821	6,769,112,014
	<u>381,119,764,219</u>	<u>264,124,845,033</u>

26. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Bank and lending interest	7,246,059,937	8,447,963,250
Payment discount	437,893,671	26,065,695
Others	29,591,926	16,195,618
Shared profit	-	9,900,000,000
	7,713,545,534	18,390,224,563
In which:		
Financial income from related parties (Details stated in Note 34)	6,843,835,612	7,123,676,708

27. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expenses	2,713,851,582	487,833,639
Foreign exchange loss	41,072,727	57,451,626
Settlement discount	69,505,727	315,701,457
	2,824,430,036	860,986,722

28. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Selling expenses		
Labour cost	9,421,705,223	10,275,387,252
Depreciation and amortisation	319,596,157	1,012,149,521
Out-sourced services	9,222,767,693	9,998,674,430
Other monetary expenses	6,822,692,221	4,324,920,476
	25,786,761,294	25,611,131,679
General and administration expenses		
Labour cost	15,316,778,204	15,379,829,160
Depreciation expenses	2,105,658,641	1,941,423,888
Out-sourced services	3,967,094,705	3,984,166,607
Provision for bad debts	(32,936,638)	(28,821,328)
Other monetary expenses	16,225,963,806	14,071,624,893
	37,582,558,718	35,348,223,220

29. OTHER INCOME AND EXPENSE

	Current year	Prior year
	VND	VND
OTHER INCOME		
Asset rental	4,446,108,618	4,604,329,844
Sale, disposal of fixed assets	747,744,108	11,453,950,961
Others	898,777,713	359,498,788
	6,092,630,439	16,417,779,593
In which:		
Other income from related parties (Details stated in Note 34)	4,446,108,618	4,604,329,844
OTHER EXPENSE		
Asset rental	3,481,325,223	3,362,407,133
Others	1,319,891,501	710,816,564
	4,801,216,724	4,073,223,697

30. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	10,633,854,519	12,607,255,926
Adjustments for corporate income tax expense in prior years to the current year	175,395,023	1,027,410,603
Total current corporate income tax expense	10,809,249,542	13,634,666,529

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

	Current year VND	Prior year VND
Profit before tax	53,998,897,343	67,720,964,539
Adjustments for taxable profit		
Additional:		
- Non-deductible expenses	2,523,790,323	2,115,042,045
- Temporarily non-deductible expenses	16,873,371,546	20,226,786,617
Less:		
- Non-taxable income	-	(9,900,000,000)
- Movements in temporary differences not deducted in the previous year realized in the current year	(20,226,786,617)	(17,126,513,571)
Taxable profit	53,169,272,595	63,036,279,630
Taxable profit at normal tax rate of 20%	53,169,272,595	63,036,279,630
Corporate income tax expense based on taxable profit in the current year	10,633,854,519	12,607,255,926

Deferred corporate income tax expense/(income):

	Current year VND	Prior year VND
Deferred corporate income tax expense/(income)		
Taxable temporary differences	670,683,015	-
Deductible temporary differences	-	(620,054,608)
Total deferred corporate income tax expense/(income)	670,683,015	(620,054,608)

31. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
Accounting profit after corporate income tax (VND)	42,518,964,786	54,706,352,618
Appropriation to bonus and welfare fund, bonus and remuneration of Board of Directors (VND)	(2,338,543,063)	(5,239,508,209)
Profit or loss attributable to ordinary shareholders (VND)	40,180,421,723	49,466,844,409
Average ordinary shares in circulation for the year (share)	13,271,785	13,271,785
Basic earnings per share (VND)	3,028	3,727

The bonus and welfare funds for the Board of Directors in 2024 is allocated during the year on a provisional basis, therefore, the basic earnings per share for the financial year ended 31 December 2024 may change upon approval.

According to the guidance of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014, the amount allocated to funds from profit after tax must be excluded from profit when estimating basic earnings per share. Therefore, the basic earnings per share for the financial year ended 31 December 2023 is re-determined based on the calculation of the bonus, welfare and remuneration fund for the Board of Directors in 2023 approved by the General Meeting of Shareholders of the Company in 2024.

Basic earnings per share adjusted as follows:

	Reported	Restated
Accounting profit after corporate income tax (VND)	54,706,352,618	54,706,352,618
Appropriation to bonus and welfare fund, bonus and remuneration of Board of Directors (VND)	(4,376,508,209)	(5,239,508,209)
Profit or loss attributable to ordinary shareholders (VND)	50,329,844,409	49,466,844,409
Average ordinary shares in circulation for the year (share)	13,271,785	13,271,785
Basic earnings per share (VND)	3,792	3,727

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/QD-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 m² 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/HDTĐ-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 December 2024 with the amount of VND 6,457,217,824. 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 m² 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 price of VND 192/m². 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/m² to VND 5,258/m² 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 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 and 2023 with a separately amount of VND 4,085,188,093 according to Notice No. 11988/TB-CTBD dated 27 October 2022 and 29 November 2022 and Notice No. 12/TB-CCT of the Tax Department of Tan Uyen Area (the Company received the notice on 16 January 2024).

In 2024, the land rental fee for 2023 was reduced by 30%, equivalent to VND 1,225,556,671, according to Decision No. 911/QĐ-CTBDU dated 26 March 2024, issued by the Director of the Binh Duong Tax Department. The land rental reduction was based on Article 3 and Decision No. 25/2023/QĐ-TTg dated 03 October 2023 of the Prime Minister regarding the reduction of land rental fees for 2023.

As at the end of the 2024 financial year, since the Company has not yet received an official notice from the tax authorities regarding the land rental fee payable for 2024, the Company has self-assessed and temporarily paid the land lease for the year 2024 with an amount of VND 2,859,632,232 after deducting the amount of exemption. The Company will adjust and either make an additional payment or receive a refund in the next payment period (if any).

Due to uncertainties regarding the exact amount of the land rental fee, the Company's Board of General Directors has decided to present this land rental fee as a contingent liability in accordance with Vietnamese Accounting Standard No. 18 - Provisions, Contingent Liabilities, and Contingent Assets.

33. COMMITMENTS

Operating lease commitments

Company is lessee

The Company leases office, warehouse and land under operating leases. At the end of the year, 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	1,162,741,332	2,903,380,540
In the second to fifth year inclusive	3,916,866,464	1,911,833,620
After five years	12,382,482,620	10,068,955,750
	17,462,090,416	14,884,169,910

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 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 and property under operating leases. At the end of the year, future minimum rentals under operating leases are presented as follows:

	Closing balance	Opening balance
	VND	VND
Within one year	4,041,013,956	3,295,282,280
In the second to fifth year inclusive	12,330,074,316	8,337,460,640
After five years	6,322,718,100	6,971,032,746
	22,693,806,372	18,603,775,666

34. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties	Relationship
The PAN Group Joint Stock Company	The Ultimate Parent
Vietnam National Seed 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 National Agrifood Investment and Export Import Company Limited	Affiliate
Vietnam Fumigation Joint Stock Company	Affiliate
Pan - Hulic Joint Stock Company	Affiliate

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

	Current year VND	Prior year VND
Revenue from sales of goods and rendering of services		
Vietnam Rice Company Limited	45,640,967,103	5,413,443,662
Vietnam National Seed Group Joint Stock Company	43,636,191,917	42,615,728,676
Vinaseed Hanoi Development & Investment Joint Stock Company	1,023,328,073	-
Quang Nam National Seed Joint Stock Company	754,849,170	-
	91,055,336,263	48,029,172,338
Purchases of goods and services		
Vietnam National Seed Group Joint Stock Company	11,339,529,795	15,635,892,970
Vietnam Rice Company Limited	5,809,753,182	9,731,446,170
Vietnam Fumigation Joint Stock Company	713,506,500	708,328,500
	17,862,789,477	26,075,667,640
Loan receivables		
Vietnam National Seed Group Joint Stock Company	10,000,000,000	-
The PAN Group Joint Stock Company	-	100,000,000,000
Vietnam National Agrifood Investment and Export Import Company Limited	-	20,000,000,000
Vietnam Rice Company Limited	-	20,000,000,000
	10,000,000,000	140,000,000,000
Collection of loan principal		
Vietnam National Seed Group Joint Stock Company	35,000,000,000	45,000,000,000
Vietnam Rice Company Limited	-	20,000,000,000
Vietnam National Agrifood Investment and Export Import Company Limited	-	20,000,000,000
	35,000,000,000	85,000,000,000
Loan interest		
The PAN Group Joint Stock Company	5,013,698,628	2,035,616,438
Vietnam National Seed Group Joint Stock Company	1,830,136,984	4,407,260,270
Vietnam Rice Company Limited	-	524,000,000
Vietnam National Agrifood Investment and Export Import Company Limited	-	156,800,000
	6,843,835,612	7,123,676,708
Dividend payment		
Vietnam National Seed Group Joint Stock Company	38,384,586,000	38,384,586,000
	38,384,586,000	38,384,586,000
Dividend received		
Vietnam Rice Company Limited	9,900,000,000	-
	9,900,000,000	-
Other income from asset rentals		
Vietnam National Seed Group Joint Stock Company	2,657,972,280	3,162,127,720
Vietnam National Agrifood Investment and Export Import Company Limited	1,147,983,610	3,867,801
Pan - Hulich Joint Stock Company	376,152,728	852,612,849
Vietnam Rice Company Limited	264,000,000	585,721,474
	4,446,108,618	4,604,329,844

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

	Closing balance	Opening balance
	VND	VND
Short-term trade receivables		
Vietnam National Seed Group Joint Stock Company	17,087,412,519	14,052,673,227
Pan - Hulich Joint Stock Company	-	103,442,000
	17,087,412,519	14,156,115,227
Short-term trade payable		
Vietnam Rice Company Limited	706,312,942	-
Vietnam Fumigation Joint Stock Company	201,264,000	97,650,000
	907,576,942	97,650,000
Short-term loan receivables		
The PAN Group Joint Stock Company (i)	100,000,000,000	100,000,000,000
Vietnam National Seed Group Joint Stock Company (ii)	30,000,000,000	55,000,000,000
	130,000,000,000	155,000,000,000
Other short-term receivables		
The PAN Group Joint Stock Company	1,671,232,876	2,035,616,438
Vietnam National Agrifood Investment and Export Import Company Limited	916,092,080	160,988,733
Vietnam National Seed Group Joint Stock Company	127,397,260	4,371,098,737
Vietnam Rice Company Limited	-	9,900,000,000
	2,714,722,216	16,467,703,908

- (i) The loan to The PAN Group Joint Stock Company under Loan Agreement No. 01/2023/HDV/SSC-PAN dated 06 September 2023 and its attached appendices has a value of VND 100 billion. The loan bears a fixed interest rate of 5% per annum. According to the appendix of the contract, the loan has been extended to 10 September 2025.
- (ii) The loan to Vietnam National Seed Group Joint Stock Company under Loan Agreement No. 01/HDTD/SSC-NSC dated 25 May 2020 and its attached appendices has a value of VND 30 billion. The loan bears a fixed interest rate of 5% per annum. According to the appendix of the contract, the loan has been extended to 14 June 2025.

Remuneration paid to the Board of Management, Board of General Directors, Chief Accountant and Board of Supervisors during the year was as follows:

		Current year	Prior year
		VND	VND
Board of Management		998,000,000	806,036,915
Ms. Tran Kim Lien	Chairwoman	198,000,000	172,722,196
Mr. Hang Phi Quang	Vice Chairman	198,000,000	163,148,131
Mr. Nguyen Quoc Phong	Member	186,000,000	24,000,000
Mr. Nguyen Dinh Nam	Member (resigned on 04 April 2024)	153,000,000	172,722,196
Mr. Dang Van Vinh	Member (appointed on 22 April 2024)	30,000,000	-
Mr. Bui Quang Son	Member (resigned on 10 March 2023)	35,000,000	100,722,196
Mr. Duong Quang Sau	Member	198,000,000	172,722,196

		Current year VND	Prior year VND
Board of General Directors		3,126,400,000	3,435,885,769
Mr. Dang Van Vinh	General Director (appointed on 19 February 2024)	1,082,000,000	-
Mr. Nguyen Dinh Nam	Deputy General Director (appointed on 19 February 2024)	578,690,000	1,805,270,808
Mr. Nguyen Quoc Phong	General Director (resigned on 19 February 2024)	808,000,000	980,491,924
Ms. Nguyen Thi Phong	Deputy General Director	657,710,000	650,123,037
Chief accountant		478,180,000	589,045,000
Mr. Lam Tuan Lac	Chief Accountant	478,180,000	589,045,000
Board of Supervisor		316,800,000	300,463,842
Mr. Phan The Ty	Head of Board of Supervisor	105,600,000	100,154,614
Ms. Nguyen Thi Thanh Ha	Member	105,600,000	100,154,614
Ms. Van Thi Ngoc Anh	Member	105,600,000	100,154,614

35. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 154,261,714 (2023: VND 1,720,936,515), representing an addition in fixed assets and construction in progress during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Cash outflows for purchases of fixed assets and construction in progress during the year include an amount of VND 1,095,949,014 (2023: VND 876,372,000), representing an addition in fixed assets and construction in progress during the year that had been advanced. Consequently, changes in accounts receivable have been adjusted by the same amount.



Ma Hoang Kim Trang
Preparer



Lam Tuan Lac
Chief Accountant



Dang Van Vinh
General Director

20 March 2025