

HOA VIET JOINT STOCK COMPANY
REVIEWED INTERIM FINANCIAL STATEMENTS

For the period from 01 January 2025 to 30 June 2025

Dong Nai, August 2025

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BOARD OF DIRECTOR'S REPORT

The Board of Directors of Hoa Viet Joint Stock Company (the "Company") presents this Report together with the reviewed interim financial statements of the Company for the period from 01 January 2025 to 30 June 2025.

The Board of Management and the Board of Directors

The members of the Boards of Management and Directors of the Company who held office during the year and to the date of this report are as follows:

- | | |
|-----------------------|--------------------------------------|
| - Mr. Chau Tuan | Chairman (Resigned on 25 June 2025) |
| - Mr. Tran Quang Ha | Chairman (Appointed on 25 June 2025) |
| - Mr. Luong Huu Hung | Director, Member |
| - Mr. Nguyen The Long | Member (Appointed on 25 June 2025) |
| - Mr. Dinh Tien Loc | Member |
| - Mr. Phan Quoc Toan | Deputy Director, Member |

Board of Directors's responsibility

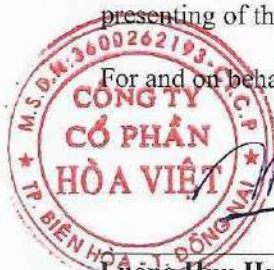
The Board of Directors of the Company are responsible for preparing the interim financial statements, which give a true and fair view of the financial position, business performance and cash flows of the Company for the period. In preparing these financial statements, Board of Directors are required to:

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

Board of Directors are responsible for ensuring that accounting books are properly recorded to disclose the financial position of the Company reasonably at any time and the financial statements are prepared and presented in compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the relevant statutory requirements. Board of Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable methods to prevent and detect fraud and other irregularities.

Board of Directors confirm that the Company has complied with the above requirements in preparing and presenting of the interim financial statements

For and on behalf of the Board of Directors,



Luong Huu Hung
Director

Dong Nai, 11 August 2025

No: 22/2025/SX-AVI-TC2

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To: **The Shareholders**
 The Board of Management and Board of Directors
 Hoa Viet Joint Stock Company

We have reviewed the accompanying interim financial statements of Hoa Viet Joint Stock Company (the "Company"), prepared on 08 August 2025, from page 05 to page 35, which comprise the Balance Sheet as at 30 June 2025, the Statement of Income, the Statement of Cash Flows for the period from 01 January 2025 to 30 June 2025, and the Notes to the Financial Statements.

Board of Directors's responsibility for the financial statements

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

Auditors' Responsibility

Our responsibility is to raise a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements No. 2410 - Review of interim financial information performed by the independent auditor of the entity. The review works on the interim financial information mainly include interviews with persons in charge of finance, accounting and application of other analysis and review procedures. Reviewing the financial statements is basically narrower than that of auditing the financial statements in line with the Vietnamese Standards on Auditing and therefore, it does not allow us to obtain a reasonable assurance to enable us to detect all material issues during the engagement. Accordingly, We do not express an audit opinion.

Basis for Qualified Conclusion

As detailed in Note 15 of the financial statement's explanatory notes, the company has received land lease tax arrears notices from the Dong Nai Tax Department, including: Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, regarding the payment of land lease fees (tax arrears) for the period 2011-2015 amounting to approximately 22.6 billion VND; Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, regarding the land lease and water surface lease arrears for the period 2016-2020, amounting to 16.97 billion VND. On August 19, 2021, the Dong Nai Tax Department sent official letter No. 7056/CTDON-QLHKDCNTK to correct the content of the letter and the issues regarding the determination of land lease prices of Hoa Viet Joint Stock Company, recording: "According to the company's opinion, the amount paid for the period from January 1, 2016, to December 31, 2020, was 8,785,470,000 VND. If the unit has paid the state budget in accordance with the tax law (not overdue according to annual land lease payment notices temporarily calculated from January 1, 2016, to December 31, 2020, and Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, from the Dong Nai Tax Department), the company has paid all the land lease fees and additional land lease fees due to price discrepancies."

During the period from 2021 to June 30, 2025, the Dong Nai Tax Department issued the following notices: Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021; Notice No. 100/TB-CTDON dated May 18, 2022; Notice No. 108/TB-CTDON dated May 18, 2023; Notice No. 103/TB-CTDON dated April 25, 2024; and Notice No. 937/TB-CCTKV15-DON dated April 26, 2025, regarding land lease and water surface lease payment. The amount the company is required to pay for land lease and water surface lease annually as per the above notices is 11.59 billion VND. The company has filed and paid land lease fees for each year from 2021 to 2024 at 1.75 billion VND per year (which is 9.84 billion VND less than the amounts indicated in the Dong Nai Tax Department's notices for each year during 2021-2024). For the first half of 2025, the

company has recorded 878.5 million VND but has not yet paid the amount into the state budget (which is 10.71 billion VND less than the Dong Nai Tax Department's notice).

Additionally, the company has received Judgment No. 130/2024/HC-PT dated March 1, 2024, from the High People's Court in Ho Chi Minh City, which ruled: "Accepting the lawsuit of Hoa Viet Joint Stock Company, annulling the administrative decisions of the Director of the Dong Nai Tax Department, including: Notice No. 2863/TB-CT dated April 14, 2020, from the Director of the Dong Nai Tax Department regarding the land lease price; Notice No. 5546/TB-QLHKDCNTK dated June 18, 2020, from the Director of the Dong Nai Tax Department regarding the correction of the land lease price notice No. 2863/TB-CT dated April 14, 2020; and Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, from the Dong Nai Tax Department regarding the payment of land lease fees (tax arrears)."

As of the issuance of this report, the company is continuing to petition and work with the competent authorities in Dong Nai Province to negotiate and agree on the land lease price as the basis for signing contract appendices to the land lease contract No. 47/HĐTD dated October 12, 2009, in order to accurately determine the land lease amount to be paid, ensuring accurate financial reporting. The interim financial statements attached have not yet included necessary adjustments due to the impact of the above issues

Qualified Conclusion

Based on our review, except for the matter described in the "Basis for Qualified Conclusion" paragraph, 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 2025 and its results of operations and its cash flows for the period from 01 January 2025 to 30 June 2025 in accordance with Vietnamese Accounting Standards, the Vietnamese corporate accounting system and the relevant statutory requirements applicable to interim financial reporting.



Nguyễn Đức Dương
Deputy General Director
Audit Practising Registration Certificate
No. 0387-2023-055-1

For and on behalf of
AN VIET AUDITING COMPANY LIMITED
Hanoi, 11 August 2025

INTERIM BALANCE SHEET

As at 30 June 2025

FORM B01a - DN

Unit: VND

ITEMS	Codes	Notes	30/06/2025	01/01/2025
A - CURRENT ASSETS	100		585,922,166,734	264,203,891,095
I. Cash and cash equivalents	110	5	2,580,774,062	3,790,736,889
1. Cash	111		2,580,774,062	3,790,736,889
II. Current receivables	130		267,250,028,489	71,486,004,519
1. Short-term trade receivables	131	6	280,409,362,332	83,753,096,703
2. Short-term advances to suppliers	132		687,005,720	1,742,924,720
3. Other short-term receivables	136	7	1,896,089,328	1,824,020,005
4. Provision for short-term doubtful debts	137	8	(15,742,428,891)	(15,834,036,909)
III. Inventories	140	9	310,066,412,714	181,165,940,680
1. Inventories	141		310,066,412,714	181,165,940,680
V. Other current assets	150		6,024,951,469	7,761,209,007
1. Short-term prepaid expenses	151	10	2,460,847,383	3,479,062,663
2. Deductible VAT	152		3,560,010,385	4,282,146,344
3. Taxes and other receivables from the State budget	153	15	4,093,701	-
B - NON-CURRENT ASSETS	200		52,254,241,343	51,484,191,082
I. Fixed assets	220		48,350,325,798	48,530,304,787
1. Tangible fixed assets	221	13	47,547,236,807	47,651,643,180
- Historical Cost	222		297,209,346,431	294,165,057,708
- Accumulated depreciation	223		(249,662,109,624)	(246,513,414,528)
2. Intangible fixed assets	227	11	803,088,991	878,661,607
- Historical Cost	228		4,406,531,424	4,406,531,424
- Accumulated depreciation	229		(3,603,442,433)	(3,527,869,817)
II. Long term assets in progress	240		2,116,859,502	567,698,391
1. Long term construction in progress	242	12	2,116,859,502	567,698,391
VI. Other non-current assets	260		1,787,056,043	2,386,187,904
1. Long-term prepaid expenses	261	10	1,787,056,043	2,386,187,904
TOTAL ASSETS	270		638,176,408,077	315,688,082,177

The notes set out on pages 10 to 35 are an integral part of these financial statements


INTERIM BALANCE SHEET (Continued)


As at 30 June 2025

FORM B01a - DN

Unit: VND

ITEMS	Codes	Notes	30/06/2025	01/01/2025
C - LIABILITIES	300		451,801,940,422	134,289,968,362
I. Current liabilities	310		451,801,940,422	134,289,968,362
1. Short-term trade payables	311	14	141,722,611,746	45,089,147,268
2. Short-term advances from customers	312	16	6,388,245,000	6,000,000,000
3. Tax and amount payable to State Budget	313	15	3,393,196,204	334,673,798
4. Payables to employees	314		24,700,784,821	12,523,681,644
5. Accrued expenses	315	17	6,262,722,209	633,505,977
6. Other short-term payables	319	18	1,570,123,182	1,288,751,641
7. Short-term loans and obligations under finance leases	320	19	258,636,603,108	65,433,815,882
8. Reward and welfare funds	322		9,127,654,152	2,986,392,152
D - EQUITY	400		186,374,467,655	181,398,113,815
I. Owner's equity	410	20	186,374,467,655	181,398,113,815
1. Owner's contributed capital	411		128,530,520,000	128,530,520,000
- Ordinary shares	411a		128,530,520,000	128,530,520,000
2. Investment and development fund	418		22,049,459,158	22,049,459,158
3. Other funds under owners	420		7,430,845,886	7,430,845,886
4. Undistributed earnings	421		28,363,642,611	23,387,288,771
- Retained earnings accumulated to the prior year end	421a		16,719,988,771	10,676,238,473
- Retained earnings of the current period	421b		11,643,653,840	12,711,050,298
TOTAL CAPITAL	440		638,176,408,077	315,688,082,177


Tran Thi Hoang Dieu
Preparer



Ho Quoc Dat
Accounting Manager



Luong Huu Hung
Director

Dong Nai, 11 August 2025

INTERIM INCOME STATEMENT
For the period from 01 January 2025 to 30 June 2025FORM B02a - DN
Unit: VND

ITEMS	Codes	Notes	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
1. Gross revenue from goods sold and services rendered	01	22	572,831,903,929	296,293,410,293
2. Revenue deductions	02		-	-
3. Net revenue from sale of goods and rendering of services	10	22	572,831,903,929	296,293,410,293
4. Costs of goods sold	11	23	503,789,158,094	270,586,960,294
5. Gross profit from sale of goods and rendering of services	20		69,042,745,835	25,706,449,999
6. Financial income	21	24	165,978,374	1,181,344,263
7. Financial expenses	22	25	3,886,314,165	1,543,095,229
- In which: Interest expenses	23		3,886,314,165	1,537,351,766
8. Selling expenses	25	26	13,528,595,519	4,729,828,724
9. General and administrative expenses	26	26	37,194,136,358	13,973,273,362
10. Operating profit	30		14,599,678,167	6,641,596,947
11. Other income	31	28	78,523,295	-
12. Other expenses	32	28	600,000	6,003,193
13. Other profit	40	28	77,923,295	(6,003,193)
14. Net profit before tax	50		14,677,601,462	6,635,593,754
15. Current corporate income tax expense	51	29	3,033,947,622	1,410,755,892
16. Net profit after corporate income tax	60		11,643,653,840	5,224,837,862
17. Basic earnings per share	70	30	906	407


Tran Thi Hoang Dieu
Preparer


Ho Quoc Dat
Accounting Manager



Luong Huu Hung
Director

Dong Nai, 11 August 2025

INTERIM STATEMENT OF CASH FLOWS
(Using the Indirect Method)
For the period from 01 January 2025 to 30 June 2025

FORM B03a - DN
Unit: VND

ITEMS	Note	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	14,677,601,462	6,635,593,754
2. Adjustments for			
- Depreciation and amortisation of fixed assets and investment properties	02	3,790,838,112	4,235,439,015
- Provisions	03	(91,608,018)	(166,522,750)
- Foreign exchange gains or losses	04	-	(51,976,249)
- Gain/(loss) from investing activities	05	(109,927,064)	(1,123,624,551)
- Interest expenses	06	3,886,314,165	1,537,351,766
3. Operating profit before movements in working capital	08	22,153,218,657	11,066,260,985
- Decrease/(increase) in receivables	09	(197,988,321,316)	(3,655,186,685)
- Decrease/Increase in Inventories	10	(128,900,472,034)	(160,968,437,355)
- Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	118,914,816,235	(7,942,589,750)
- Decrease/(Increase) in prepaid expenses	12	1,617,347,141	1,250,566,849
- Interest paid	14	(3,886,314,165)	(1,470,346,472)
- Corporate income tax paid	15	(707,051,177)	(1,544,751,917)
- Other cash inflows	16	7,000,000	1,080,000
- Other cash outflows	17	(533,038,000)	(293,821,296)
Net cash flows from operating activities	20	(189,322,814,659)	(163,557,225,641)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Purchase and construction of fixed assets and other long-term assets	21	(5,160,020,234)	-
2. Proceeds from disposals of fixed assets and other long-term assets	22	65,454,545	-
3. Proceeds from loan recoveries and sale of debt instruments of other entities	24	-	56,000,000,000
4. Interest received from loans, dividends, and distributed profits	27	4,630,295	928,121,634
Net cash flows from investing activities	30	(5,089,935,394)	56,928,121,634

The notes set out on pages 10 to 35 are an integral part of these financial statements

INTERIM STATEMENT OF CASH FLOWS (Continued)

(Using the Indirect Method)

For the period from 01 January 2025 to 30 June 2025

III. CASH FLOWS FROM FINANCING ACTIVITIES

1. Proceeds from borrowings	33	320,672,815,021	248,971,648,689
2. Repayments of borrowings	34	(127,470,027,795)	(149,986,969,500)
3. Dividend and profit paid	36	-	(6,212,115)
Net cash flows from financing activities	40	193,202,787,226	98,978,467,074
Net cash increase/ (decrease) during the period	50	(1,209,962,827)	(7,650,636,933)
Cash and cash equivalents at the beginning of the period	60	3,790,736,889	10,171,216,346
Cash and cash equivalents at the end of the period	70	2,580,774,062	2,520,579,413


Tran Thi Hoang Dieu
Preparer

Ho Quoc Dat
Accounting Manager

Luong Huu Hung
Director

Dong Nai, 11 August 2025

NOTES TO THE FINANCIAL STATEMENT**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements***1. OPERATION CHARACTERISTICS OF ENTERPRISES****1.1. Structure of ownership**

Hoa Viet Joint Stock Company (the "Company") operates under Enterprise Registration Certificate No. 3600262193 issued on March 24, 2005, and amended for the 9th time on September 1, 2020, by the Department of Planning and Investment of Dong Nai Province. The Company's charter capital is VND 128,530,520,000, equivalent to 12,853,052 shares. Of these, Vietnam National Tobacco Corporation (a state-owned shareholder) holds 9,778,162 shares, equivalent to VND 97,781,620,000, representing 76.08% of the charter capital, while other shareholders hold 3,074,890 shares, accounting for 23.92% of the charter capital. The par value of each share is VND 10,000. The Company's shares are listed on the UPCOM market under the stock symbol HJC.

The Company's headquarters office is located in Long Binh Ward, Dong Nai Province.

The total number of employees of the Company as of 30 June 2025 is 259 people (as of 31 December 2024 is 265 people).

1.2. Operating industry and principal activities

The Company's principal activities include cultivating, procuring, processing, and trading tobacco raw materials and other agricultural products; importing and exporting tobacco raw materials and agricultural supplies; trading cigarettes; livestock farming and aquaculture; warehousing, logistics services, and bonded warehouse operations; real estate brokerage and property trading; as well as tourism and catering services.

1.3. The normal business production cycle

The Company's business production cycle is 12 months, starts on 01 January and ends 31 December of the calendar year.

1.4. Organization structure

The organizational structure of the Company comprises the Company Office and its affiliated units:

- Hoa Viet Joint Stock Company Branch in Gia Lai;
- Hoa Viet Joint Stock Company Branch in Ninh Thuan;
- Hoa Viet Joint Stock Company Branch in Tay Ninh;

1.5. Comparability of financial statement figures

The information and figures presented in the Financial Statements for the period from 01 January 2025 to 30 June 2025 ensure comparability when calculated and presented consistently..

2. ACCOUNTING PERIOD, CURRENCY UNIT USED IN ACCOUNTING

The Company's accounting period starts on 01 January and ends on 31 December of the calendar year.

Currency unit used in accounting: Vietnamese Dong (VND).

3. STANDARDS AND ACCOUNTING SYSTEM APPLIED

The financial statements are expressed in Vietnamese Dong (VND) and prepared under the accounting principles in conformity with the Vietnamese Corporate Accounting System issued in pursuance of Circular No. 200/2014/TT-BTC dated 12 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 of Ministry of Finance, Vietnamese Accounting Standards and the relevant statutory requirements applicable to financial reporting.

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****4.1. Basis of preparation of financial statements**

The financial statements are prepared on the accrual basis (except for the information related to cash flows), based on the original price principle, based on the assumption that the company is operating continuously.

4.2. Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Corporate Accounting System and the relevant statutory requirements applicable to financial reporting requires the management 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 fiscal year. The actual business results could differ from those estimates and assumptions.

4.3. Financial instruments*Initial recognition**Financial assets*

According to Circular No. 210/2009/TT-BTC dated November 6, 2009, issued by the Ministry of Finance, financial assets are appropriately classified, for disclosure purposes in the financial statements, into financial assets measured at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The Company determines the classification of these financial assets at the time of initial recognition.

At the time of initial recognition, financial assets are measured at cost plus any directly attributable transaction costs related to the acquisition of those financial assets. The Company's financial assets include cash and cash equivalents, trading securities, held-to-maturity investments, accounts receivable, loans receivable, and other receivables.

Financial liabilities

According to Circular No. 210/2009/TT-BTC dated November 6, 2009, issued by the Ministry of Finance, financial liabilities are appropriately classified, for disclosure purposes in the financial statements, into financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. The Company determines the classification of these financial liabilities at the time of initial recognition.

At the time of initial recognition, financial liabilities are measured at cost plus any directly attributable transaction costs related to the issuance of those financial liabilities. The Company's financial liabilities include accounts payable to suppliers, accrued expenses, other payables, borrowings, and finance rent liabilities.

Subsequent measurement

The subsequent measurement of financial instruments is reflected at fair value. In cases where there are no specific regulations for determining the fair value of financial instruments, they are presented at carrying value.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented at their net value on the balance sheet if, and only if, the Company has a legal right to offset the recognized amounts and intends to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.4. Cash and cash equivalents

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

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

Cash equivalents include short-term investments with terms less than 03 months from the date of investment, which can be converted easily into a certain amount of cash without any risk in conversion into cash at the reporting date and recorded following Vietnamese Accounting Standard No. 24 - Cash flow statement.

4.5. Receivables and provision for doubtful debts

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

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

The company bases on the remaining term at the reporting date receivables to classify as long-term or short-term.

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

4.6. Inventories

Inventories are determined at historical cost, when the historical cost is greater than the net realizable value, inventories are measured at net realizable value. Cost comprises the purchase price, processing cost and other direct attributable expenses that have been incurred in bringing the inventories to their present location and condition.

The cost of inventories is determined on a weighted average method and recorded on a regular basis. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing and selling.

Provision for devaluation of inventories is the difference between the historical cost and the net realizable value as at the balance sheet date, which is made in accordance with the provisions of the current Corporate Accounting System.

4.7. Tangible assets and depreciation

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

The cost of tangible fixed assets acquired through purchase or construction is the total amount spent by the Company to acquire the asset, up to the point when the asset is ready for use. Costs incurred after initial recognition are added to the asset's cost if they actually improve the current condition of the asset compared to its original standard condition, such as:

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

- Changes to components of tangible fixed assets that increase their useful life or enhance their operating capacity; or
 - Improvements to components of tangible fixed assets that significantly increase the quality of the produced products; or
- The implementation of new production technology processes that reduce the operating costs of the asset compared to before.

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

Tangible fixed assets are depreciated using the straight-line method, with depreciation calculated by dividing the cost by the estimated useful life, in accordance with the provisions of Circular No. 45/2013/TT-BTC dated April 25, 2013, issued by the Ministry of Finance. The specific depreciation periods for each type of asset are as follows:

	<u>Depreciation rate (Year)</u>
Buildings and structures	10 - 50
Machinery and equipment	4 - 10
Transportation vehicles	6 - 10
Office equipment	3 - 10

4.8. Intangible assets and amortization

Intangible fixed assets are stated at cost less accumulated amortization. The value of the accounting software program on the computer is amortized using the straight-line method over a period of 4 years. The definite land use rights are amortized based on the duration of land use certificates. The Company does not amortize long-term land use rights.

4.9. Construction in progress

The construction in progress is recorded at cost, including expenses directly related to (including borrowing costs by the Company's accounting policy) properties in the course of construction for production, equipment installed for the purpose of manufacturing, rental and management as well as related expenses to repairs of fixed assets. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

4.10. Long-term prepaid expenses

Long-term prepaid expenses reflect the value of tools and equipment used, as well as the cost of significant one-time repairs to fixed assets. The value of these assets is amortized over a period of up to 3 years.

4.11. Foreign currency

The foreign currency translation principles are applied in accordance with the provisions of Vietnamese Accounting Standard No. 10 (VAS 10) - The Effects of Changes in Exchange Rates.

During the period, foreign currency transactions are converted into VND using the actual exchange rate at the transaction date or the exchange rate recorded in the accounting books. The resulting exchange rate differences are reflected in financial income (if a gain) or financial expenses (if a loss). Monetary items denominated in foreign currencies are revalued at the actual exchange rate at the end of the accounting period. The exchange rate differences arising from the revaluation are recognized

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

in foreign exchange differences and transferred to financial income (if a gain) or financial expenses (if a loss) at the end of the accounting period.

4.12. Salary

The company implements the wage fund allocation in accordance with the guidance in Circular 28/2016/TT-BLĐTBXH dated September 1, 2016, by the Ministry of Labor, Invalids, and Social Affairs, regarding the implementation of regulations on labor, wages, remuneration, and bonuses for joint-stock companies with state-owned controlling shares (which will expire on June 15, 2025); Circular No. 003/2025/TT-BNV dated April 28, 2025, by the Ministry of Home Affairs, guiding the management of labor, wages, remuneration, and bonuses in state-owned enterprises, effective from June 15, 2025. During the period, the company temporarily allocated the wage fund, recording an expense of 43.2 billion VND. The company will settle the official wage fund when preparing the financial statements at the end of the year.

4.13. Payables

Accrued expenses are recognized based on reasonable estimates of the amounts payable for goods and services used during the year when invoices or sufficient accounting documents are not yet available, including: interest on loans; subcontractor payables; major fixed asset repair costs; accrued cost of goods sold; accrued salary costs for vacation leave; accrued severance costs for seasonal or planned shutdowns, etc., of which:

- Interest expenses are estimated based on the loan amount, term, and the actual interest rate for each period in accordance with the specific loan agreements;
- Subcontractor payables for construction items that have been certified by the customer for the completed work volume and value are accrued into the cost of goods sold to align with the revenue recognized during the year;
- Major repair costs for fixed assets incurred during the period, which have been performed by contractors but not yet certified or invoiced.

4.14. Owner's equity

The owner's equity at the end of the accounting period reflects the shareholders' contributions, recognized based on the actual capital contributed by the shareholders, calculated at the par value of the issued shares.

Share premium is recognized as the difference between the actual issuance price and the par value of the shares when they are initially issued, issued as additional shares, or reissued from treasury stock.

Other owner's equity is formed from additions from business operations, revaluation of assets, and the remaining value between the fair value of assets received as gifts, donations, or grants, after deducting any applicable taxes related to these assets.

The funds and after-tax profits are allocated and distributed according to the resolutions of the General Meeting of Shareholders or temporarily allocated in accordance with the Company's Charter, and are further allocated/adjusted based on the resolutions of the General Meeting of Shareholders.

4.15. Other revenue and expenses

Revenue is recognized when the sale transactions are measured reliably and the Company received or will receive economic benefits from these sale transactions.

Revenue from the sale of goods shall be recognized if it simultaneously meets the following five (5) conditions:

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

- (a) The Company transferred most of the risks and benefits associated with ownership of goods to the customers;
- (b) The Company did not hold the right to manage goods as the owners or the right to control goods;
- (c) The revenue is measured reliably. When the contracts define that the customers are entitled to return goods purchased under specific conditions, the Company shall only record revenue if such specific conditions do not exist and the customers are not entitled to return goods (unless the customers are entitled to return the goods in the form of exchanging for other goods or service);
- (d) The Company received or will receive economic benefits from the sale transactions;
- (e) The costs related to the sale transactions may be determined.

The turnover of a transaction on rendering of services shall be recognized if it meets all four (4) following conditions are satisfied:

- (a) Revenue is measured reliably;
- (b) The Company received or will receive economic benefits from the sale transactions;
- (c) The completed work is determined at the reporting date;
- (d) Incurred costs for the transaction and the costs to complete the transaction of providing such services are determined.

Financial income comprises deposit interest, and is measured reliably on the basis of the balance of deposits, loans and actual interest rates each period.

Other income reflects income arising from the events or separate transactions with normal business operations of the Company, besides the above revenue.

4.16. Taxation

The company is obliged to pay corporate income tax at the rate of 20% of taxable income. Corporate income tax includes current income tax and deferred income tax.

Current corporate income tax expense is calculated based on taxable income for the year. Taxable income may be different from the net profit reported in the income statement because the taxable income does not include income or taxable expenses or is deductible in other years (including carrying holes, if any) and additionally not include items that are not taxable or not deductible.

Deferred income tax is calculated on the differences between the carrying amount and the basis for calculating the income tax of items of assets or liabilities on the financial statements and is recognized by the balance sheet method. Deferred income tax liabilities must be recognized for all temporary differences, while deferred tax assets are only recognized when there are sufficient future taxable profits to be deducted temporary differences.

The Company's determination of corporate income tax is based on current 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 applied in accordance with the prevailing tax laws in Vietnam.

4.17. Related parties

The parties are regarded as related parties of the Company if they have the ability to control or exercise significant influence over the Company in making financial and operating decisions or have the same key management personnel or are jointly managed by another company (the same Group, Corporation).

Individuals with direct or indirect voting rights can impact significantly the Company, including close family members of these individuals (parents, spouses, children, siblings).

NOTES TO THE FINANCIAL STATEMENT (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

Key management personnel have authority and responsibility for planning, managing and controlling the operation of the Company: the directors, the managers of the Company and close family members of these individuals.

The companies managed by these individuals mentioned above with direct or indirect voting rights or through these rights they can have a significant impact on the Company, including the companies owned by the leaders or major shareholders of the Company and the companies that have the same key management personnel.

Information about related parties is presented in the Note No. 31.

5. CASH

	<u>30/06/2025</u>	<u>01/01/2025</u>
	VND	VND
Cash on hand	106,112,469	355,496,808
Cash in bank	2,474,661,593	3,435,240,081
Total	<u><u>2,580,774,062</u></u>	<u><u>3,790,736,889</u></u>

NOTES TO THE FINANCIAL STATEMENT (Continued)

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

6. SHORT TERM - TRADE RECEIVABLES

	30/06/2025	01/01/2025
	VND	VND
Saigon Tobacco Company Limited	82,582,759,342	3,451,469,299
Thang Long Tobacco Company Limited	66,722,644,400	-
British American Tobacco - Vinataba	53,078,360,161	4,469,237,700
Vinataba - Philip Morris Company Limited	37,630,488,238	-
Thien Loi Hoa Company Limited	11,623,455,634	11,623,455,634
Hung Thinh Services and Production Investment One member Company Limited	-	17,149,493,847
Other customers	28,771,654,557	47,059,440,223
Total	280,409,362,332	83,753,096,703
<i>In which:</i>		
<i>Related parties:</i>	242,862,710,221	9,741,541,473

(*) Details of receivables balances from related parties are presented in Note 31.

7. OTHER SHORT TERM - RECEIVABLES

	30/06/2025	01/01/2025
	VND	VND
Receivables from compensation	1,353,078,584	1,353,078,584
Short-term deposits and collaterals	310,000,000	110,000,000
Advance	28,575,000	156,695,585
Other receivables	204,435,744	204,245,836
Total	1,896,089,328	1,824,020,005

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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8. DOUBTFUL DEBT

	30/06/2025			01/01/2025		
	Historical Cost	Provision	Recoverable amount	Historical Cost	Provision	Recoverable amount
	VND	VND	VND	VND	VND	VND
Thien Loi Hoa Company Limited	11,623,455,634	(11,623,455,634)	-	11,623,455,634	(11,623,455,634)	-
Noi Bai Investment Joint Stock Company	1,446,729,454	(1,422,273,680)	24,455,774	1,446,729,454	(1,422,273,679)	24,455,774
Others	2,696,699,577	(2,696,699,577)	-	2,788,307,596	(2,788,307,596)	-
Total	15,766,884,665	(15,742,428,891)	24,455,774	15,858,492,683	(15,834,036,909)	24,455,774

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

9. INVENTORY

	30/06/2025		01/01/2025	
	Historical Cost	Provision	Historical Cost	Provision
	VND	VND	VND	VND
Raw material	10,404,489,777	-	24,193,073,689	-
Tools, supplies	330,093,281	-	345,937,320	-
Finished goods	118,681,836,868	-	153,645,409,208	-
Goods	180,649,992,788	-	2,981,520,463	-
Total	310,066,412,714	-	181,165,940,680	-

10. PREPAID EXPENSES

	30/06/2025	01/01/2024
	VND	VND
Short-term	2,460,847,383	3,479,062,663
Prepaid expenses for fixed asset repairs	1,002,477,555	2,668,766,040
Fire insurance costs	674,979,076	249,715,963
Others	783,390,752	560,580,660
Long-term	1,787,056,043	2,386,187,904
Prepaid expenses for fixed asset repairs	1,761,396,367	2,384,117,180
Others	25,659,676	2,070,724
Total	4,247,903,426	5,865,250,567

11. INTANGIBLE FIXED ASSETS

	Land use rights	Computer software	Others	Total
	VND	VND	VND	VND
ORIGINAL COST				
As at 01/01/2025	3,103,409,047	1,021,122,377	282,000,000	4,406,531,424
As at 30/06/2025	3,103,409,047	1,021,122,377	282,000,000	4,406,531,424
ACCUMULATED DEPRECIATION				
As at 01/01/2025	2,464,532,386	781,337,431	282,000,000	3,527,869,817
Depreciated	35,572,614	40,000,002	-	75,572,616
As at 30/06/2025	2,500,105,000	821,337,433	282,000,000	3,603,442,433
NET BOOK VALUE				
As at 01/01/2025	638,876,661	239,784,946	-	878,661,607
As at 30/06/2025	603,304,047	199,784,944	-	803,088,991

12. CONSTRUCTION IN PROGRESS

	30/06/2025	01/01/2025
	VND	VND
Automatic Fire Protection System Project	1,456,161,111	-
Management Accounting Software Project	471,500,000	471,500,000
Others	189,198,391	96,198,391
Total	2,116,859,502	567,698,391

NOTES TO THE FINANCIAL STATEMENT (Continued)

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

13. TANGIBLE FIXED ASSETS

	Buildings and Structures	Machinery and Equipment	Transportation and transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
ORIGINAL COST						
As at 01/01/2025	153,044,956,182	122,494,955,815	14,421,597,120	3,531,006,155	672,542,436	294,165,057,708
Increased during the period	232,608,981	970,500,000	2,407,750,142	-	-	3,610,859,123
Purchased	232,608,981	970,500,000	2,407,750,142	-	-	3,610,859,123
Decreased during the period	-	-	566,570,400	-	-	566,570,400
Liquidation, disposal	-	-	566,570,400	-	-	566,570,400
As at 30/06/2025	153,277,565,163	123,465,455,815	16,262,776,862	3,531,006,155	672,542,436	297,209,346,431
ACCUMULATED DEPRECIATION						
As at 01/01/2025	117,019,280,793	113,186,433,118	12,611,832,208	3,023,325,973	672,542,436	246,513,414,528
Increased during the period	2,297,022,966	1,033,277,401	289,387,807	95,577,322	-	3,715,265,496
Depreciated during the period	2,297,022,966	1,033,277,401	289,387,807	95,577,322	-	3,715,265,496
Decreased during the period	-	-	566,570,400	-	-	566,570,400
Liquidation, disposal	-	-	566,570,400	-	-	566,570,400
As at 30/06/2025	119,316,303,759	114,219,710,519	12,334,649,615	3,118,903,295	672,542,436	249,662,109,624
NET BOOK VALUE						
As at 01/01/2025	36,025,675,389	9,308,522,697	1,809,764,912	507,680,182	-	47,651,643,180
As at 30/06/2025	33,961,261,404	9,245,745,296	3,928,127,247	412,102,860	-	47,547,236,807

The cost of tangible fixed assets that have been fully depreciated but are still in use as of 30 June 2025 is VND 192,672,278,918 (compared to VND 169,609,420,870 as of 31 December 2024).

For the period from 01 January 2025 to 30 June 2025

NOTES TO THE FINANCIAL STATEMENT (Continued)

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

FORM B09a -DN**14. SHORT - TERM TRADE PAYABLES**

	30/06/2025		01/01/2025	
	Amount		Amount	
	VND	Amount able to be paid off	VND	Amount able to be paid off
Hung Thinh Services and Production Investment One member Company Limited	43,251,611,614	43,251,611,614	-	-
Sao Vang Company Limited	25,672,500,000	25,672,500,000	-	-
Thinh Tam Thuc Trading and Service One member Company Limited	19,049,562,400	19,049,562,400	-	-
British American Tobacco - Vinataba	-	-	30,475,617,767	30,475,617,767
Others	53,748,937,732	53,748,937,732	14,613,529,501	14,613,529,501
Total	141,722,611,746	141,722,611,746	45,089,147,268	45,089,147,268
In which:				
<i>In which: Related parties</i>				
British American Tobacco - Vinataba	5,243,056,585	5,243,056,585	31,075,824,959	31,075,824,959
Vina Toyo Company Limited	-	-	30,475,617,767	30,475,617,767
	5,243,056,585	5,243,056,585	600,207,192	600,207,192

15. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	30/06/2025		During the period		01/01/2025	
	Amount payable		Amount payable		Amount payable	
	VND	Amount receivable	VND	Amount Paid	VND	Amount receivable
Domestic value added tax	-	4,093,701	200,610,323	245,271,068	40,567,044	-
Corporate income tax	2,467,915,994	-	3,033,947,622	707,051,177	141,019,549	-
Personal income tax	28,026,649	-	487,189,325	610,154,205	150,991,529	-
Land tax, Land rental (*)	897,253,561	-	978,145,570	80,892,009	-	-
Other taxes	-	-	140,200,000	142,295,676	2,095,676	-
Total	3,393,196,204	4,093,701	4,840,092,840	1,785,664,135	334,673,798	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

(*): *The Company has received notices of land rental arrears from the Dong Nai Provincial Tax Department, including:*

Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, regarding the payment of land lease fees (tax arrears) for the period 2011-2015 amounting to approximately 22.6 billion VND; Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, regarding the land lease and water surface lease arrears for the period 2016-2020, amounting to 16.97 billion VND. On August 19, 2021, the Dong Nai Tax Department sent official letter No. 7056/CTDON-QLHKDCNTK to correct the content of the letter and the issues regarding the determination of land lease prices of Hoa Viet Joint Stock Company, recording: "According to the company's opinion, the amount paid for the period from January 1, 2016, to December 31, 2020, was 8,785,470,000 VND. If the unit has paid the state budget in accordance with the tax law (not overdue according to annual land lease payment notices temporarily calculated from January 1, 2016, to December 31, 2020, and Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, from the Dong Nai Tax Department), the company has paid all the land lease fees and additional land lease fees due to price discrepancies."

During the period from 2021 to June 30, 2025, the Dong Nai Tax Department issued the following notices: Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021; Notice No. 100/TB-CTDON dated May 18, 2022; Notice No. 108/TB-CTDON dated May 18, 2023; Notice No. 103/TB-CTDON dated April 25, 2024; and Notice No. 937/TB-CCTKV15-DON dated April 26, 2025, regarding land lease and water surface lease payment. The amount the company is required to pay for land lease and water surface lease annually as per the above notices is 11.59 billion VND. The company has filed and paid land lease fees for each year from 2021 to 2024 at 1.75 billion VND per year (which is 9.84 billion VND less than the amounts indicated in the Dong Nai Tax Department's notices for each year during 2021-2024). For the first half of 2025, the company has recorded 878.5 million VND but has not yet paid the amount into the state budget (which is 10.71 billion VND less than the Dong Nai Tax Department's notice).

Additionally, the company has received Judgment No. 130/2024/HC-PT dated March 1, 2024, from the High People's Court in Ho Chi Minh City, which ruled: "Accepting the lawsuit of Hoa Viet Joint Stock Company, annulling the administrative decisions of the Director of the Dong Nai Tax Department, including: Notice No. 2863/TB-CT dated April 14, 2020, from the Director of the Dong Nai Tax Department regarding the land lease price; Notice No. 5546/TB-QLHKDCNTK dated June 18, 2020, from the Director of the Dong Nai Tax Department regarding the correction of the land lease price notice No. 2863/TB-CT dated April 14, 2020; and Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, from the Dong Nai Tax Department regarding the payment of land lease fees (tax arrears)."

As of the issuance of this report, the company is continuing to petition and work with the competent authorities in Dong Nai Province to negotiate and agree on the land lease price as the basis for signing contract appendices to the land lease contract No. 47/HĐTĐ dated October 12, 2009, in order to accurately determine the land lease amount to be paid, ensuring accurate financial reporting.

16. SHORT TERM - ADVANCE FROM CUSTOMERS

	30/06/2025	01/01/2025
	VND	VND
British American Tobacco - Vinataba (*)	6,000,000,000	6,000,000,000
Others	388,245,000	-
Total	6,388,245,000	6,000,000,000

(*) *Advance payment by the buyer is a related party.*

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements***17. ACCRUED EXPENSES**

	<u>30/06/2025</u>	<u>01/01/2025</u>
	<u>VND</u>	<u>VND</u>
Loading and unloading expenses	3,032,822,430	-
Steam expenses	1,613,592,643	-
Interest expenses	162,211,515	51,799,697
Electricity expenses	588,940,944	277,070,910
Other expenses	865,154,677	304,635,370
Total	<u>6,262,722,209</u>	<u>633,505,977</u>

18. OTHER SHORT-TERM PAYABLES

	<u>30/06/2025</u>	<u>01/01/2025</u>
	<u>VND</u>	<u>VND</u>
Trade union fees	419,406,168	86,008,450
Deposits received	604,415,400	563,415,400
Dividends payable	498,792,310	498,792,310
Other payables	47,509,304	140,535,481
Total	<u>1,570,123,182</u>	<u>1,288,751,641</u>

For the period from 01 January 2025 to 30 June 2025

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NOTES TO THE FINANCIAL STATEMENTS (Continued)*These notes form an integral part of and should be read in conjunction with the accompanying financial statements***19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	01/01/2025		During the period		30/06/2025	
	Value	Amount able to be paid off	Increase	Decrease	Value	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term borrowings	65,433,815,882	65,433,815,882	320,672,815,021	127,470,027,795	258,636,603,108	258,636,603,108
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Dong Nai Branch (1)	64,687,423,363	64,687,423,363	105,644,170,269	80,333,815,134	89,997,778,498	89,997,778,498
Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Nai Branch (2)	746,392,519	746,392,519	166,388,039,132	47,136,212,661	119,998,218,990	119,998,218,990
Military Commercial Joint Stock Bank – Bien Hoa Branch (3)	-	-	48,640,605,620	-	48,640,605,620	48,640,605,620
Total	65,433,815,882	65,433,815,882	320,672,815,021	127,470,027,795	258,636,603,108	258,636,603,108

(1) Credit contract No. 2025027/HDTTD/QLN dated April 22, 2025 between Hoa Viet Joint Stock Company and Vietnam Joint Stock Commercial Bank for Foreign Trade - Dong Nai Branch and amended contract No. 2025027/HDTTD/QLN-PL1 dated May 7, 2025, credit limit is 90 billion VND, limit maintenance period is 12 months from the date of signing the contract but not exceeding May 14, 2026. The purpose of the loan is to supplement working capital for production and business activities. Interest rate is determined at the time of disbursement. The loan term for each loan is a maximum of 6 months from the date of loan disbursement. The loan is secured by: Assets being the tobacco raw material processing line under the security contract No. 015/HDBB/NHNT dated May 20, 2019 including appendices, amendments and supplements at each time between the Bank and the Company; Mortgage assets being circulating inventory under the goods mortgage contract No. 2019106/HDBB/QLN dated October 28, 2019 between the Bank and the Company; Mortgage assets being property rights under the property rights mortgage contract arising from the contract No. 2019107/HDBB/QLN dated October 28, 2019 between the Bank and the Company.

(2) Credit contract No. 300039949/2024-HDCVHM/NHCT680-HOAVIET dated December 25, 2024 between Hoa Viet Joint Stock Company and Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Nai Branch. Contract appendix dated June 6, 2025, credit limit according to the contract appendix is 120 billion VND. The loan term for each loan is a maximum of 6 months from the date of loan disbursement, the limit maintenance period is until December 25, 2025. The purpose of the loan is to supplement working capital for production and business activities. Interest rate is determined at the time of disbursement. The loan is secured by "Commodity mortgage contract No. 14.46.9949/HDTTC-HH dated June 30, 2014; Property mortgage contract No.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

17.300039949/HĐTC-KHO LAM MAT THUOC LA dated September 12, 2017; Property mortgage contract No. 01/2018/HĐBĐ/NHCT680/HOA VIET dated August 15, 2018; Debt claim mortgage contract No. 01.9949./2019/HĐBĐ/NHCT680-QUYEN DOI NO dated August 1, 2019”.

(3) Credit Contract No. 300401.25.461.38504266.TD dated May 19, 2025 between Hoa Viet Joint Stock Company and Vietnam Military Commercial Joint Stock Bank - Bien Hoa Branch, credit limit is 62 billion VND. The purpose of the loan is to supplement working capital for the Customer's tobacco raw material business activities. The loan term for each loan is a maximum of 6 months from the date of loan disbursement. Interest rate is determined at the time of disbursement. The loan is secured by goods/debt claims under Mortgage Contract No. 300620.25.461.38504266.BD dated May 19, 2025.

20. OWNER'S EQUITY*Statement of Changes in Equity*

	Contributed capital	Other equity funds	Investment and development funds	Undistributed net profit	Total
	VND	VND	VND	VND	VND
As at 01/01/2024	128,530,520,000	7,430,845,886	22,049,459,158	14,380,838,473	172,391,663,517
Profit for the year	-	-	-	12,711,050,298	12,711,050,298
Appropriations to Company Funds	-	-	-	(3,704,600,000)	(3,704,600,000)
As at 01/01/2025	128,530,520,000	7,430,845,886	22,049,459,158	23,387,288,771	181,398,113,815
Profit for the period	-	-	-	11,643,653,840	11,643,653,840
Appropriation to Bonus and Welfare Funds (*)	-	-	-	(6,667,300,000)	(6,667,300,000)
As at 30/06/2025	128,530,520,000	7,430,845,886	22,049,459,158	28,363,642,611	186,374,467,655

(*) The Company distributes profits in accordance with Resolution No. 111/NQ-CPHV dated 25 June 2025 of the Annual General Meeting of Shareholders.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Details of Shareholders' Contributions

	30/06/2025		01/01/2025	
	%	VND	%	VND
Vietnam National Tobacco Corporation	76.08%	97,781,620,000	76.08%	97,781,620,000
Saigon Tobacco Company Limited	6.53%	8,387,380,000	6.53%	8,387,380,000
Thang Long Tobacco Company Limited	2.80%	3,594,590,000	2.80%	3,594,590,000
Other Shareholders	14.60%	18,766,930,000	14.60%	18,766,930,000
Cộng	100%	128,530,520,000	100%	128,530,520,000

	30/06/2025	01/01/2025
	Shares	Shares
Quantity of authorized issuing shares	12,853,052	12,853,052
Quantity of shares sold to the public	12,853,052	12,853,052
- Common shares	12,853,052	12,853,052
Quantity of outstanding shares in circulation	12,853,052	12,853,052
- Common shares	12,853,052	12,853,052

Authorized to issue and fully paid up

	30/06/2025	01/01/2025
	VND	VND
Quantity (shares)	12,853,052	12,853,052
Value per shares (VND/shares)	10,000	10,000
Value (VND)	128,530,520,000	128,530,520,000

21. OFF BALANCE SHEET

1. Foreign currency	Unit	30/06/2025	01/01/2025
	USD	388.96	7,585.09
2. Materials and goods held on behalf of others			
	Unit	30/06/2025	01/01/2025
- Customer's processing materials	kg	2,399,096	497,388
- Customer's finished products	kg	3,457,848	1,828,905
+ Finished goods		2,382,892	1,111,159
+ Stems, crumbs		1,074,956	717,746
- Finished products sent to warehouse by customers	kg	489,600	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

22. REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Revenue from sales of goods and rendering of services	572,831,903,929	296,293,410,293
Revenue from tobacco raw material sales	246,072,850,234	197,968,777,546
Revenue from finished goods	232,191,871,040	30,766,012,575
Export revenue	7,032,908,273	9,200,937,456
Revenue from subcontracting	53,577,586,700	27,859,757,558
Revenue from sales of materials	15,126,828,855	16,287,330,972
Other revenue	18,829,858,827	14,210,594,186
Net revenue from sales of goods and rendering of services	572,831,903,929	296,293,410,293
In which: Related parties (*)	507,830,050,344	252,105,023,216

(*) Details of related parties are presented in Note 31.

23. COSTS OF GOODS SOLD

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Cost of tobacco raw materials	237,182,084,063	190,571,627,784
Cost of finished goods	207,666,011,746	27,368,583,155
Cost of export	5,049,292,333	7,968,221,310
Cost of processing	34,484,902,489	22,000,608,494
Cost of materials	14,923,465,084	16,216,118,248
Others	4,483,402,379	6,461,801,303
Total	503,789,158,094	270,586,960,294

24. FINANCE INCOME

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Bank deposit interest	4,630,295	928,121,634
Prepayment interest	56,051,310	195,502,917
Realized gain from foreign exchange difference	105,296,769	57,719,712
Total	165,978,374	1,181,344,263

25. FINANCIAL EXPENSES

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Interest expenses	3,886,314,165	1,537,351,766
Unrealized loss from foreign exchange difference	-	5,743,463
Total	3,886,314,165	1,543,095,229

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Administrative expenses	37,194,136,358	13,973,273,362
Labor costs	26,253,134,192	6,163,091,507
Raw material, tool and equipment costs	2,098,501,725	1,060,806,607
Depreciation and amortisation costs	244,139,159	131,398,592
Provision expenses	(91,608,018)	(166,522,750)
Expenses from external services	6,457,862,264	5,263,904,946
Other expenses	2,232,107,036	1,520,594,460
Selling expenses	13,528,595,519	4,729,828,724
Labor costs	4,003,664,309	788,517,287
Raw material, tool and equipment costs	1,191,181,268	1,097,041,670
Depreciation and amortisation costs	506,833,047	356,354,995
Expenses from external services	7,043,937,260	2,467,053,092
Other expenses	782,979,635	20,861,680
Total	50,722,731,877	18,703,102,086

27. FACTOR EXPENSES

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Raw material, tool and equipment costs	274,829,702,854	232,978,948,101
Labor costs	60,607,420,955	22,229,655,559
Depreciation and amortisation costs	3,790,838,112	4,235,439,015
Expenses from external services	20,932,853,074	12,645,731,237
Other expenses	8,703,818,372	2,608,555,270
Total	368,864,633,367	274,698,329,182

28. OTHER PROFIT

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Other income	78,523,295	-
Gain from liquidation, disposal of fixed assets	65,454,545	-
Compensation	13,068,750	-
Other expense	600,000	6,003,193
Asset appraisal costs	-	6,000,000
Others	600,000	3,193
Other profit	77,923,295	(6,003,193)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

29. CURRENT CORPORATE INCOME TAX EXPENSES

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Profit before tax	14,677,601,462	6,635,593,754
Adjustment for corporate income tax	492,136,647	418,185,708
Non - deductible expenses	492,136,647	418,185,708
Taxable income	15,169,738,109	7,053,779,462
Tax rate (%)	20%	20%
Corporate income tax payable	3,033,947,622	1,410,755,892
Current corporate income tax expense	3,033,947,622	1,410,755,892

30. EARNINGS PER SHARE

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Profit for the period	11,643,653,840	5,224,837,862
Profit for the year attributable to common stockholders	11,643,653,840	5,224,837,862
average number of shares outstanding (share)	12,853,052	12,853,052
Basic earnings per share (VND/share)	906	407

31. RELATED PARTY TRANSACTIONS AND BALANCES

Vietnam National Tobacco Corporation	Parent company
Thang Long Tobacco Company Limited	Under the Same Parent Company
Saigon Tobacco Company Limited	Under the Same Parent Company
Long An Tobacco Company Limited	Under the Same Parent Company
Dong Thap Tobacco Company Limited	Under the Same Parent Company
An Giang Tobacco Company Limited	Under the Same Parent Company
Ben Tre Tobacco Company Limited	Under the Same Parent Company
Cuu Long Tobacco Company Limited	Under the Same Parent Company
British American Tobacco - Vinataba	Under the Same Parent Company
Vinataba - Philip Morris Company Limited	Under the Same Parent Company
Ngan Son Joint Stock Company	Under the Same Parent Company
Bac Son Tobacco Company Limited	Under the Same Parent Company
Vina Toyo Company Limited	Associated company of the parent company
British American Tobacco - Vinataba	Associated company of the parent company

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Balances with related parties:

	30/06/2025	01/01/2025
	VND	VND
Receivables	242,862,710,221	9,741,541,473
Saigon Tobacco Company Limited	82,582,759,342	3,451,469,299
Thang Long Tobacco Company Limited	66,722,644,400	
British American Tobacco - Vinataba	53,078,360,161	4,469,237,700
Vinataba - Philip Morris Limited Company	37,630,488,238	113,268,974
Dong Thap Tobacco Company Limited	2,810,608,400	1,707,565,500
Ngan Son Joint Stock Company	37,849,680	-

Transactions with related parties:

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Sale of goods and services	507,830,050,344	252,105,023,216
British American Tobacco - Vinataba	236,128,118,134	200,418,847,061
Saigon Tobacco Company Limited	115,795,502,473	-
Thang Long Tobacco Company Limited	78,333,269,447	6,474,194,800
Vinataba - Philip Morris Company Limited	37,982,079,590	15,767,930,560
Cuu Long Tobacco Company Limited	22,930,000,000	15,336,599,400
Bac Son Tobacco Company Limited	9,261,000,000	-
Dong Thap Tobacco Company Limited	3,792,008,000	-
Tobacco Import Export Company	3,004,610,400	4,529,506,200
Ben Tre Tobacco Company Limited	449,120,400	7,623,472,975
Ngan Son Joint Stock Company	154,341,900	94,160,000
An Giang Tobacco Company Limited	-	1,860,312,220
Purchase of goods and services	8,373,318,315	3,421,926,220
Vina Toyo Company Limited	8,285,818,315	2,283,048,140
Tobacco Import Export Company	87,500,000	-
British American Tobacco - Vinataba	-	1,138,878,080

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Salary, bonus and remuneration of Board of Directors and Board of Management:

	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
	VND	VND
Board of Management	393,549,738	350,179,384
Mr. Chau Tuan	106,005,236	90,906,636
Mr. Dinh Tien Loc	85,715,183	77,136,374
Mr. Nguyen The Long	3,000,000	-
Ms. Nguyen Dieu Huong	-	37,136,374
Mr. Luong Huu Hung	58,800,000	54,000,000
Mr. Tran Quang Ha	81,229,319	37,000,000
Mr. Phan Quoc Toan	58,800,000	54,000,000
Board of Directors	662,565,002	817,171,635
Mr. Luong Huu Hung	360,000,001	284,794,226
Mr. Nguyen Duc Luong	-	285,123,704
Mr. Phan Quoc Toan	302,565,001	247,253,705
Board of Supervision	474,184,261	367,307,453
Mr. Dao Xuan Lap	324,133,999	266,541,205
Mr. Le Hoan Vu	76,025,131	51,383,124
Mr. Nguyen Huu Hong Son	74,025,131	49,383,124
Chief Accountant	-	204,396,284
Mr. Nguyen Nguyen Quoc Vu	-	204,396,284
Accounting Supervisor	184,895,535	-
Mr. Ho Quoc Dat	184,895,535	-

32. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's main activities are cultivation, purchasing, processing, and consumption of tobacco materials and other agricultural products. Revenue from other activities accounts for only a small proportion of total revenue (4.8% in the first 6 months of 2025). Revenue and cost of business activities are presented in Notes 22 and 23 of the notes to the financial statements. Geographically, the Company mainly operates within the territory of Vietnam. Accordingly, the Board of Directors has assessed and believes that not preparing and presenting segment reports by business sector and geographical area in the Financial Statements for the period from 01 January 2025 to 30 June 2025 is in accordance with the provisions of Vietnamese Accounting Standard No. 28 "Segment reporting" and in accordance with the current business situation of the Company.

33. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure its ability to continue as a going concern while maximizing the return to shareholders through the optimization of the Company's capital structure and debt levels.

The Company's capital base comprises equity attributable to its equity holders (comprising issued share capital, reserves, and retained earnings).

Major Accounting Policies

Details of the Company's significant accounting policies and methods applied (including the criteria for recognition, measurement basis and the basis for recognition of income and expenses) in respect of each class of financial assets, financial liabilities and equity instruments are set out in Note 4.21.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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*These notes form an integral part of and should be read in conjunction with the accompanying financial statements***Financial instruments**

	Carrying Amounts	
	30/06/2025	01/01/2025
	VND	VND
Financial assets		
Cash and cash equivalents	2,580,774,062	3,790,736,889
Held-to-maturity investments	-	-
Short-term trade receivables	266,563,022,769	69,743,079,799
Total	269,143,796,831	73,533,816,688
Financial liabilities		
Trade payables	141,722,611,746	45,089,147,268
Short-term borrowings and finance lease liabilities	258,636,603,108	65,433,815,882
Short-term accrued expenses	6,262,722,209	633,505,977
Other payables	1,150,717,014	1,202,743,191
Total	407,772,654,077	112,359,212,318

The Company has not assessed the fair value of financial assets and financial liabilities as at the end of the accounting period because Circular 210 and other prevailing regulations do not provide specific guidance on determining the fair value of financial assets and liabilities. Circular 210 requires the application of international financial reporting standards (IFRS) concerning the presentation of financial statements and disclosures for financial instruments. However, it does not provide equivalent guidance for the measurement and recognition of financial instruments, including the application of fair value, to align with IFRS.

Financial risk management objectives

Financial risks include market risk (including price risk), credit risk, liquidity risk, and interest rate risk of cash flows. The company does not take measures to hedge these risks due to the lack of a market for purchasing these financial instruments.

Market risk*Foreign exchange risk management*

Exchange rate risks arising from transactions denominated in foreign currencies are assessed to have no material impact on the Company's financial position.

Commodity price risk management

The Company's branches procure tobacco raw materials from farmers at prices set by the Company's Head Office under normal market conditions. The Company may be exposed to commodity price risks due to competition from competitors at specific times and locations of procurement.

Credit risk

Credit risk arises when a customer or counterparty fails to fulfill their contractual obligations, resulting in financial losses to the Company. The Company has an appropriate policy in place and regularly monitors the situation to assess its exposure to credit risk. The maximum credit risk exposure is represented by the carrying amount of the allowance for doubtful debts as at 30 June 2025.

Liquidity risk management

The objective of liquidity risk management is to ensure sufficient funding to meet current and future financial obligations. Liquidity is also managed to maintain a controllable surplus between maturing liabilities and assets during the period, based on the level of capital the Company expects to generate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The Company's policy is to regularly monitor both current and anticipated liquidity requirements to ensure that the Company maintains adequate cash reserves, access to borrowings, and committed contributions from owners to meet both short-term and long-term liquidity needs.

The table below provides a detailed breakdown of the remaining contractual maturities of non-derivative financial liabilities and their agreed payment terms. The table is presented based on the undiscounted cash flows of financial liabilities at the earliest dates on which the Company is obligated to settle.

	Under 1 year	From 1-5 years	Total
	VND	VND	VND
As at 01/01/2025			
Borrowings and finance lease liabilities	65,433,815,882	-	65,433,815,882
Trade and other payables	46,291,890,459	-	46,291,890,459
Short-term payable expenses	633,505,977	-	633,505,977
Total	112,359,212,318	-	112,359,212,318
As at 30/06/2025			
Borrowings and finance lease liabilities	258,636,603,108	-	258,636,603,108
Trade and other payables	142,873,328,760	-	142,873,328,760
Short-term payable expenses	6,262,722,209	-	6,262,722,209
Total	407,772,654,077	-	407,772,654,077

The Board of Directors assesses the concentration of liquidity risk as low. The Board believes that the Company can generate sufficient cash flows to meet its financial obligations as they become due.

The following table provides a detailed breakdown of the maturity profiles for non-derivative financial assets. The table is prepared based on the undiscounted contractual maturities of the financial assets, including any interest income from those assets, if applicable. The presentation of non-derivative financial asset information is essential to understanding the Company's liquidity risk management, as liquidity is managed on a net basis of liabilities and assets.

	Under 1 year	From 1-5 years	Total
	VND	VND	VND
As at 01/01/2025			
Cash and cash equivalents	3,790,736,889	-	3,790,736,889
Held-to-maturity investments	-	-	-
Trade receivables and other receivables	69,743,079,799	-	69,743,079,799
Total	73,533,816,688	-	73,533,816,688
As at 30/06/2025			
Cash and cash equivalents	2,580,774,062	-	2,580,774,062
Trade receivables and other receivables	266,563,022,769	-	266,563,022,769
Total	269,143,796,831	-	269,143,796,831

34. CONTINGENT LIABILITY

As detailed in Note 15 of the financial statement's explanatory notes, the company has received land lease tax arrears notices from the Dong Nai Tax Department, including: Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, regarding the payment of land lease fees (tax arrears) for the period 2011-2015 amounting to approximately 22.6 billion VND; Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, regarding the land lease and water surface lease

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements*

arrears for the period 2016-2020, amounting to 16.97 billion VND. On August 19, 2021, the Dong Nai Tax Department sent official letter No. 7056/CTDON-QLHKDCNTK to correct the content of the letter and the issues regarding the determination of land lease prices of Hoa Viet Joint Stock Company, recording: "According to the company's opinion, the amount paid for the period from January 1, 2016, to December 31, 2020, was 8,785,470,000 VND. If the unit has paid the state budget in accordance with the tax law (not overdue according to annual land lease payment notices temporarily calculated from January 1, 2016, to December 31, 2020, and Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, from the Dong Nai Tax Department), the company has paid all the land lease fees and additional land lease fees due to price discrepancies."

During the period from 2021 to June 30, 2025, the Dong Nai Tax Department issued the following notices: Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021; Notice No. 100/TB-CTDON dated May 18, 2022; Notice No. 108/TB-CTDON dated May 18, 2023; Notice No. 103/TB-CTDON dated April 25, 2024; and Notice No. 937/TB-CCTKV15-DON dated April 26, 2025, regarding land lease and water surface lease payment. The amount the company is required to pay for land lease and water surface lease annually as per the above notices is 11.59 billion VND. The company has filed and paid land lease fees for each year from 2021 to 2024 at 1.75 billion VND per year (which is 9.84 billion VND less than the amounts indicated in the Dong Nai Tax Department's notices for each year during 2021-2024). For the first half of 2025, the company has recorded 878.5 million VND but has not yet paid the amount into the state budget (which is 10.71 billion VND less than the Dong Nai Tax Department's notice).

Additionally, the company has received Judgment No. 130/2024/HC-PT dated March 1, 2024, from the High People's Court in Ho Chi Minh City, which ruled: "Accepting the lawsuit of Hoa Viet Joint Stock Company, annulling the administrative decisions of the Director of the Dong Nai Tax Department, including: Notice No. 2863/TB-CT dated April 14, 2020, from the Director of the Dong Nai Tax Department regarding the land lease price; Notice No. 5546/TB-QLHKDCNTK dated June 18, 2020, from the Director of the Dong Nai Tax Department regarding the correction of the land lease price notice No. 2863/TB-CT dated April 14, 2020; and Notice No. 783/TB.CT.QLHKDCNTK dated November 20, 2020, from the Dong Nai Tax Department regarding the payment of land lease fees (tax arrears)."

As of the issuance of this report, the company is continuing to petition and work with the competent authorities in Dong Nai Province to negotiate and agree on the land lease price as the basis for signing contract appendices to the land lease contract No. 47/HĐTĐ dated October 12, 2009, in order to accurately determine the land lease amount to be paid, ensuring accurate financial reporting.

35. OTHER INFORMATION

According to official document No. 1871/TB-TTCTP dated October 20, 2022, from The Government Inspectorate of Vietnam regarding the conclusion of the inspection on the compliance with laws in the management and use of capital and assets, divestment, and restructuring at Vietnam Tobacco Corporation during the period 2013-2017, including Hoa Viet Joint Stock Company, the Company's financial statements do not yet reflect the effects (if any) related to the implementation of the recommendations from the Government Inspectorate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B09a -DN***These notes form an integral part of and should be read in conjunction with the accompanying financial statements***36. SUBSEQUENT EVENTS**

The Board of Directors confirms that, in the opinion of the Board of Directors, in all material respects, other than the events presented in Note 34 and Note 35, there are no unusual events occurring after 30 June 2025 that affect the financial position, results of operations and cash flows of the Company for the period from 01 January 2025 to 30 June 2025.

37. COMPARATIVE FIGURES

The comparative figures in the Balance Sheet are the closing balances as at 31 December 2024 carried forward, and the comparative figures in the Income Statement and Cash Flow Statement are for the period from 01 January 2024 to 30 June 2024 which were audited and reviewed by An Viet Auditing Company Limited.



Tran Thi Hoang Dieu
Preparer



Ho Quoc Dat
Accounting Manager



Luong Huu Hung
Director

Dong Nai, 11 August 2025