

**SON LA SUGAR JOINT STOCK
COMPANY**

Audited Financial Statements
for the fiscal year ended
June 30, 2025

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SON LA SUGAR JOINT STOCK COMPANY

CORPORATE INFORMATION

CORPORATE INFORMATION

Son La Sugar Joint Stock Company (hereinafter referred to as “the Company”) operates under Business Registration Certificate No. 5500155321 dated February 20, 2008 issued by the Department of Planning and Investment of Son La province. The Company has adjusted its business registration certificate many times, the most recent amendment being the tenth times issued on May 16, 2025.

Son La Sugar Joint Stock Company (stock code: SLS) has been listed and traded on the Hanoi Stock Exchange (HNX) since October 16, 2012.

The Company's headquarters is located at Km 34 Highway 6 Son La - Hanoi, Mai Son Commue, Son La Province.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and to the date of this report include:

- | | |
|---------------------------|---------------|
| - Mr. Dang Viet Anh | Chairman |
| - Mr. Tran Ngoc Hieu | Vice Chairman |
| - Ms. Tran Thi Bich Nhi | Member |
| - Mr. Thai Van Hung | Member |
| - Mr. Nguyen Truong Chinh | Member |

BOARD OF MANAGEMENT

Members of the Board of Management managing the Company during the year and to the date of this report include:

- | | |
|----------------------|-------------------------|
| - Mr. Tran Ngoc Hieu | General Director |
| - Mr. Thai Van Hung | Deputy General Director |

BOARD OF SUPERVISORS

Members of the Board of Supervisors during the year and up to the date of this report include:

- | | |
|-----------------------|-------------------------------|
| - Ms. Nguyen Thi Thuy | Chief of Board of Supervisors |
| - Mr. Nguyen Van Tai | Member |
| - Mr. Nguyen Van Dai | Member |

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and to the date of this report is Mr. Dang Viet Anh - Chairman.

AUDITORS

BDO Audit Services Company Limited has audited the Company's financial statements for the fiscal year ended June 30, 2025.

SON LA SUGAR JOINT STOCK COMPANY

REPORT OF THE BOARD OF MANAGEMENT

On the Company's financial statements for the fiscal year ended June 30, 2025

The Board of Management of the Company presents this report together with the audited financial statements of the Company for the fiscal year ended June 30, 2025.

BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Board of Management of the Company is responsible for preparation and presentation of Financial statements, which give a true and fair view of the Company's financial position as at June 30, 2025 as well as its operations results and its cash flow for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and relevant legal regulations on preparation and presentation of Financial Statements.

In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State applicable accounting principles that have been followed, subject to any material departures disclosed and explained in financial statements;
- Prepare financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept adequately to give a fair and true view of the financial position of the Company at any time and to ensure that the accompanying financial statements of the Company were prepared in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and relevant legal regulations. The Board of Management is also responsible for safeguarding the Company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Company confirms that the Company has complied with the above requirements in preparing and presenting the accompanying financial statements.

APPROVAL OF FINANCIAL STATEMENTS

The Board of Management approves the accompanying financial statements for the fiscal year ended June 30, 2025, which are set out from page 05 to page 32. According to the Board of Management's opinion, in all material respectst, the accompanying financial statements give a true and fair view of the financial position of the Company as at June 30, 2025, its operation results and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations relevant to the preparation and presentation of the financial statements.

Son La, August 25, 2025

For and on behalf of Board of Management, 



General Director

Tran Ngoc Hieu

According to Authorization Letter No.71/GUQ-2024 dated November 1, 2024 of the Chairman of the Board of Directors

No: BC/BDO/2025. 6.1.1

Ha Noi, August 25, 2025

INDEPENDENT AUDITORS' REPORT

*On Financial Statements of Son La Sugar Joint Stock Company
for the fiscal year ended June 30, 2025*

**To: SHAREHOLDERS, BOARD OF DIRECTORS AND BOARD OF MANAGEMENT
SON LA SUGAR JOINT STOCK COMPANY**

We have audited the accompanying Financial Statements of Son La Sugar Joint Stock Company (hereinafter is "the Company") issued on August 25, 2025 as set out from page 05 to page 32, including Balance sheet as at June 30, 2025, Income statement, Cash flow statement for the fiscal year then ended, and Notes to the financial statements.

Responsibilities of Board of Management

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

Responsibilities of auditors

Our responsibility is to express an opinion on Financial Statements based on our audit. We have 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' judgement, including the assessment of the risks of material misstatement on 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 the Board of Management, as well as evaluating the overall presentation of the financial statements.

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


Opinion of auditors

In our opinion, in all material respects, the accompanying financial statements give a true and fair view of the financial position of Son La Sugar Joint Stock Company as at June 30, 2025, and of its operation results and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other prevailing legal regulations relevant to the preparation and presentation of the financial statements.

BDO AUDIT SERVICES COMPANY LIMITED



Nguyen Tuan Anh - Vice Director
Certificate of Audit Practicing Registration
No. 1906-2023-038-1



Pham Thi Tu - Auditor
Certificate of Audit Practicing Registration
No. 2581-2023-038-1

SON LA SUGAR JOINT STOCK COMPANY
BALANCE SHEET

As at June 30, 2025

B01-DN

Unit: VND

ASSETS	Code	Notes	Closing balance	Opening balance
A - CURRENT ASSETS	100		1,546,611,881,697	1,127,012,212,540
I. Cash and cash equivalents	110	V.1	3,208,072,612	18,532,255,431
1. Cash	111		3,208,072,612	18,532,255,431
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
III. Current receivables	130		1,031,898,020,449	677,894,770,383
1. Current trade receivables	131	V.3	908,615,070,180	539,612,093,000
2. Short-term advance to suppliers	132	V.4	22,509,848,458	15,519,434,667
3. Receivables from short-term loans	135	V.5	9,400,000,000	9,400,000,000
4. Other current receivables	136	V.6	102,906,453,015	124,918,876,233
5. Provision for short-term bad debts	137	V.7	(11,533,351,204)	(11,555,633,517)
IV. Inventories	140	V.8	511,505,788,636	430,580,595,516
1. Inventories	141		537,381,181,036	433,729,472,017
2. Provision for devaluation of inventories	149		(25,875,392,400)	(3,148,876,501)
V. Other current assets	150		-	4,591,210
1. Value-added tax deductibles	152		-	4,591,210
B - NON-CURRENT ASSETS	200		536,846,656,672	568,668,815,802
I. Non-current receivables	210		-	-
II. Fixed assets	220		516,106,497,492	549,594,966,495
1. Tangible fixed assets	221	V.11	514,932,960,504	548,407,185,315
<i>Historical cost</i>	222		1,030,502,450,078	1,014,232,779,435
<i>Accumulated depreciation</i>	223		(515,569,489,574)	(465,825,594,120)
2. Intangible fixed assets	227	V.10	1,173,536,988	1,187,781,180
<i>Historical cost</i>	228		2,018,991,660	2,018,991,660
<i>Accumulated amortization</i>	229		(845,454,672)	(831,210,480)
III. Non-current asset-in-progress	240		9,140,159,180	7,473,849,307
1. Construction in progress	242	V.9	9,140,159,180	7,473,849,307
IV. Long-term financial investments	250		11,600,000,000	11,600,000,000
1. Investment in joint ventures, associates	252	V.2.2	9,600,000,000	9,600,000,000
2. Held-to-maturity investments	255	V.2.1	2,000,000,000	2,000,000,000
V. Other non-current assets	260		-	-
TOTAL ASSETS	270		2,083,458,538,369	1,695,681,028,342

SON LA SUGAR JOINT STOCK COMPANY

BALANCE SHEET (continued)

B01-DN

As at June 30, 2025

RESOURCES	Code	Notes	Closing balance	Opening balance
C - LIABILITIES	300		355,946,782,308	140,926,756,200
I. Current liabilities	310		355,946,782,308	140,926,756,200
1. Current trade payables	311	V.12	45,554,718,891	43,128,581,053
2. Current advance from customers	312	V.13	1,014,496,300	461,666,050
3. Statutory obligations	313	V.14	24,696,076,179	22,384,202,502
4. Payables to employees	314		1,668,915,722	4,605,140,571
5. Current accrued expenses	315	V.15	19,444,414	1,035,926,285
6. Other current payables	319	V.16	1,777,975,138	915,664,596
7. Short-term loans and finance lease liabilities	320	V.18	274,883,587,181	61,709,043,280
8. Provision for current payables	321	V.17	5,700,000,000	4,000,000,000
9. Bonus and welfare funds	322		631,568,483	2,686,531,863
II. Non-current liabilities	330		-	-
D - OWNERS' EQUITY	400		1,727,511,756,061	1,554,754,272,142
I. Owners' equity	410	V.19	1,727,511,756,061	1,554,754,272,142
1. Contributions of owners	411		97,919,450,000	97,919,450,000
- Common shares with voting rights	411a		97,919,450,000	97,919,450,000
2. Share premium	412		3,998,638,028	3,998,638,028
3. Investment and development fund	418		95,607,779,802	45,607,779,802
4. Other funds under owners' equity	420		7,677,296,000	8,801,036,000
5. Retained earnings	421		1,522,308,592,231	1,398,427,368,312
- Accumulated retained earnings to the end of previous year	421a		1,148,088,468,312	872,068,384,836
- Retained earnings this year	421b		374,220,123,919	526,358,983,476
II. Funding and other funds	430		-	-
TOTAL RESOURCES	440		2,083,458,538,369	1,695,681,028,342

Son La, August 25, 2025

Preparer

Chief Accountant

General Director



Duong Hai Linh



Nguyen Thi Khuong



Tran Ngoc Hieu

SON LA SUGAR JOINT STOCK COMPANY
INCOME STATEMENT

For the fiscal year ended June 30, 2025

B02-DN

Unit: VND

ITEMS	Code	Notes	Current year	Previous year
1. Revenue from sales of goods and rendering of services	01	VI.1	1,160,883,201,236	1,411,694,307,969
2. Revenue deductions	02		-	-
3. Net revenue from sales of goods and rendering of services	10		1,160,883,201,236	1,411,694,307,969
4. Cost of sales	11	VI.2	780,144,092,465	883,632,323,544
5. Gross profit from sales of goods and rendering of services	20		380,739,108,771	528,061,984,425
6. Financial income	21	VI.3	38,035,969,027	31,751,916,756
7. Financial expenses	22	VI.4	3,793,542,996	2,774,054,792
<i>In which: Interest expenses</i>	23		3,793,542,996	2,747,846,792
8. Selling expenses	25	VI.5	2,984,124,237	2,839,039,896
9. General and administrative expenses	26	VI.6	31,478,414,920	21,847,952,508
10. Net operating profit	30		380,518,995,645	532,352,853,985
11. Other income	31	VI.7	800,129,387	20,371,370
12. Other expenses	32	VI.8	166,159,573	107,687,396
13. Other profit	40		633,969,814	(87,316,026)
14. Total accounting profit before tax	50		381,152,965,459	532,265,537,959
15. Current corporate income tax expense	51	VI.10	6,943,899,540	5,906,554,483
16. Net profit after corporate income tax	60		374,209,065,919	526,358,983,476
17. Earnings per share	70	VI.11	37,756	53,295

Son La, August 25, 2025

Preparer

Chief Accountant

General Director



Duong Hai Linh



Nguyen Thi Khuong



Tran Ngoc Hieu

SON LA SUGAR JOINT STOCK COMPANY
CASH FLOW STATEMENT

B03-DN

(Indirect method)

For the fiscal year ended June 30, 2025

Unit: VND

ITEMS	Code	Notes	Current year	Previous year
I. Cash flows from operating activities				
1. <i>Accounting profit before tax</i>	01		381,152,965,459	532,265,537,959
2. <i>Adjustments for:</i>				
- Depreciation and amortization of fixed assets and investment properties	02		56,843,081,028	55,712,749,435
- Provisions	03		25,281,553,415	2,742,047,483
- Foreign exchange gains/losses arising from revaluation of monetary accounts denominated in foreign currency	04		-	-
- (Gains)/ losses from investment activities	05		(5,240,975,932)	(17,141,384,809)
- Interest expenses	06		3,793,542,996	2,747,846,792
- Other adjustments	07		-	-
3. <i>Operating profit before changes in working capital</i>	08		461,830,166,966	576,326,796,860
- (Increase)/decrease in receivables	09		(350,405,354,621)	(387,499,980,149)
- (Increase)/decrease in inventories	10		(103,651,709,019)	(104,223,975,806)
- Increase/(decrease) in payables	11		545,842,407	(37,288,571,584)
- (Increase)/decrease in prepaid expenses	12		-	-
- (Increase)/decrease in trading securities	13		-	-
- Interest paid	14		(3,793,542,996)	(2,747,846,792)
- Corporate income tax paid	15		(5,906,554,483)	(206,487,324)
- Other receipts from operating activities	16		50,100,000	31,700,000
- Other payments on operating activities	17		(7,661,551,000)	(5,765,390,000)
<i>Net cash flows from operating activities</i>	20		(8,992,602,746)	38,626,245,205
II. Cash flows from investing activities				
1. Acquisition and construction of fixed assets and other non-current assets	21		(33,221,179,008)	(63,499,379,033)
2. Proceed from disposal of fixed assets and other non-current assets	22		4,988,970,000	-
3. Cash outflow for lending, buying debt instrument of other entities	23		-	(139,000,000,000)
4. Collections from borrowers and proceeds from sales of debt instruments of other entities	24		-	166,300,000,000
5. Payment for investments in other entities	25		-	-
6. Proceeds from sales of investments in other entities	26		-	-
7. Interests, dividends and profit received	27		4,555,694,033	17,141,384,809
<i>Net cash flows used in investing activities</i>	30		(23,676,514,975)	(19,057,994,224)

SON LA SUGAR JOINT STOCK COMPANY
CASH FLOW STATEMENT *(continued)*

B03-DN

(Indirect method)

For the fiscal year ended June 30, 2025

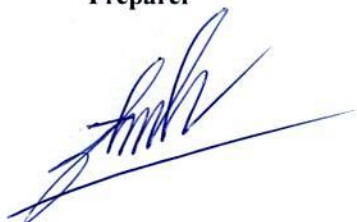
ITEMS	Code	Notes	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds received from issuance of shares and receipt from contributions of the owners	31		-	-
2. Repayment of contributions to owners repurchase of stock issued	32		-	-
3. Drawdown of borrowings	33		354,075,417,277	112,229,043,280
4. Repayment of borrowings principal	34		(140,900,873,376)	(100,620,000,000)
5. Repayment of finance lease principal	35		-	-
6. Dividend, profit distributed to shareholders	36		(195,829,609,000)	(146,872,206,750)
<i>Net cash flows from financing activities</i>	40		17,344,934,901	(135,263,163,470)
Net cash flows during the year	50		(15,324,182,819)	(115,694,912,489)
Cash and cash equivalents at the beginning of the year	60	V.1	18,532,255,431	134,227,167,920
Cash and cash equivalents at the end of the year	70	V.1	3,208,072,612	18,532,255,431

Son La, August 25, 2025

Preparer

Chief Accountant

General Director



Duong Hai Linh



Nguyen Thi Khuong



Tran Ngoc Hieu

SON LA SUGAR JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

B09-DN

For the fiscal year ended June 30, 2025

I. CORPORATE INFORMATION

1. Structure of ownership

Son La Sugar Joint Stock Company, formerly a State-owned enterprise, was converted into a joint stock company according to Decision No. 2761/QĐ-UBND dated November 26, 2007 of the People's Committee of Son La province. The Company operates under Business Registration Certificate No. 5500155321 dated February 20, 2008 issued by the Department of Planning and Investment of Son La Province. During its operation, changes in business sector and the Company's capital charter have also been approved by Department of Planning and Investment of Son La Province in the Business Registration Certificate changed from the first time to the tenth times issued on May 16, 2025.

The Company's shares have been officially listed on the Hanoi Stock Exchange (HNX) since October 16, 2012 with the stock code SLS.

The Company's headquarters is located at Km 34 Highway 6 Son La - Hanoi, Mai Son Commune, Son La Province.

2. Business sector

- Production and processing;
- Commercial business.

3. Business activities

Main business activities:

- Producing, processing and trading cane sugar, molasses and post-sugar products;
- Trading in fertilizers, nitrogenous fertilizer, pesticides, sugarcane seeds, slag and ash.

4. Normal course of business cycle

The Company's operating cycle is the period of time when raw materials are purchased for the production process to when they are converted into cash or easily convertible assets, usually not more than 12 month.

5. The characteristics of the business in the year that affect the financial statements

During the year, there were no events about the legal environment, market developments, business operations, management, finance, mergers, divisions, separations, changes in scale, etc. affect the financial statements of the Company.

6. Employees

The total number of Company's employees as at June 30, 2025 was 330 people (as at June 30, 2024 was 333 people).

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Accounting period

The Company's fiscal year starts from July 1 of the previous year to June 30 of the following year.

2. Accounting currency

The accounting currency is Vietnam dong (VND).

III. APPLICABLE ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Applicable accounting system

The Company applies the Vietnamese Corporate Accounting System promulgated together with Circular 200/2014/TT-BTC dated December 22, 2014 ("Circular 200"), Circular 53/2016/TT-BTC dated March 21, 2016 amending and supplementing a number of articles of Circular 200 of the Ministry of Finance guiding the corporate accounting regime.

The financial statements are prepared under the historical cost principle and in accordance with Vietnamese Accounting Standards. The accompanying financial statements are not intended to present the financial position, results of its operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2. Declaration on compliance with Accounting Standards and Accounting System

The Board of Management ensures that the financial statements have been prepared and presented in accordance with the requirements of Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing legal regulations guiding the preparation and presentation of financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements. The accounting policies are consistent with the accounting policies applied in preparing the financial statements for the most recent financial year.

1. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposit and term deposit (not exceeding three months), cash in transit and short-term investments with maturity of not exceeding three months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnamese Accounting Standard No. 24 "Cash Flow Statement".

2. Recognition of financial investments

a) Held-to-maturity investments

Held-to-maturity investments are those that the Management has the intention and ability to hold to maturity.

Held-to-maturity investments are initially recognized at cost. After initial recognition, if held-to-maturity investments have not been provided with provisions for doubtful debts in accordance with other regulations, these investments are recognized at their recoverable amounts. Any impairment in the value of an investment, if incurred, is charged to financial expenses in the income statement and is deducted directly from the value of the investment.

b) Investments in joint ventures, associates

Principle for determining joint ventures and associates: Based on the percentage of votings rights held by the Company.

Associates are all entities over which the Company has significant influence but not control, typically expressed through holding between 20% and 50% of the voting rights in those entities.

Investments in associates are initially recognized at cost. Profit distributions received by the Company from the accumulated profits of associates after the date on which control is acquired by the Company is recognized in the Company's income statement. Other distributions are treated as a return of the investments and are deducted from the investment value.

After initial recognition, these investments are measured at cost less allowance for diminution in investment value. Provisions for diminution in investment value are made when it is probable that there will be diminution in value of these investments at the balance sheet date. Provision for diminution in investment value is recognized in the income statement for the year.

3. Recognition of receivables

Receivables are amounts that can be collected from customers or other entities. Receivables are stated at carrying amount less provisions for doubtful debts.

The classification of receivables as trade receivables and other receivables is according to following principles:

- **Trade receivables:** Including trade receivables arising from transactions of purchase and sale between the Company and the buyer who is independent of the Company.

- **Other receivables:** Including receivables of non-commercial nature, unrelated to purchase and sale transactions (such as receivables from loan interests, deposit interests; payments on behalf of third parties entitled to receive back; receivables on property lending, etc.).

Receivables monitoring

Receivables shall be recorded in detail to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of less than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non - current receivables.

Receivables are recognized not exceeding the recoverable amount.

Provision for doubtful debts

Provision for doubtful debts represents the value of receivables that the Company expects to be unable to recover at the balance sheet date. Increases or decreases in the provision balance are recorded into general and administration expenses during the year. Provision for bad debts is made for specific receivable, based on the overdue time to pay the principal according to the initial commitment (not taking into account the debt extension between the parties), or the expected loss.

4. Recognition of inventories

Inventories are determined based on the lower of cost and net realizable value. The determination complies with the provisions of Accounting Standard No. 02 - "Inventories", namely: the price of inventories comprises all costs of purchases, costs of conversion and other costs directly related to bringing the inventories to the current location and status. The net realizable value is determined as the estimated selling price minus (-) the estimated costs to complete the product and the estimated costs necessary for consumption.

Method of inventory value calculation: Weighted average.

Method of inventory accounting: Perpetual inventory system.

Provision for devaluation in inventories: Provision for inventories is made for the expected losses due to devaluation (due to discounts, obsolete, poor quality, inferior and etc.) of raw materials and finished products owned by the Company based on the reasonable evidence of devaluation at the end of the fiscal year. Increases and decreases in the provision balance are recorded in cost of goods sold in the year.

5. Recognition of fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are measured at historical cost less accumulated depreciation.

Historical cost of tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the tangible fixed assets into ready condition for its intended use. The identification of historical cost of each type of tangible fixed assets is in accordance with Vietnamese Accounting Standard No. 03 - Tangible fixed assets.

Expenditures incurred after the initial recognition (costs of upgrading, renovation, maintenance and etc.) are recognized as operating expenses in the year. Where it can be clearly demonstrated that these expenses increase the expected future economic benefits of the use of fixed assets that exceed the initially assessed standard operating level, these expenses are capitalized as additional costs of the fixed asset.

When a tangible fixed asset is sold or disposed of, its historical cost and accumulated depreciation are removed from the balance sheet, and any gain or loss resulted from the disposal of the asset is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line method over estimated useful lives as follows:

<u>Assets</u>	<u>Useful lives</u>
Building and structures	06 - 50 years
Machinery and equipment	06 - 15 years
Means of transportation	06 - 15 years
Office equipment	03 - 08 years
Others tangible fixed assets	07 years

Intangible fixed assets

Intangible fixed assets are stated at historical cost less accumulated amortization.

Land use rights

Land use rights are recorded as intangible fixed assets when the Company is granted a certificate of land use right. The historical cost of land use rights includes all costs directly attributable to the acquisition of the land use right. Indefinite-term land use rights are not amortized.

Software program

Cost of software programs is determined to be the total actual expenses to acquire such software programs in case the software program separates from related hardware, semiconductor integrated circuit layout design in accordance with the law on intellectual property. Software programs are amortized on a straight-line basis over their estimated useful lives.

Other regulations on management, use, depreciation of fixed assets

Other regulations on management, use and depreciation of fixed assets are implemented by the Company in accordance with Circular 45/2013/TT-BTC dated April 25, 2013 of the Minister of Finance and Circular 147/2016/TT-BTC dated October 13, 2016 amending and supplementing a number of articles of Circular No. 45/2013/TT-BTC and Circular No. 28/2017/TT-BTC dated April 12, 2017 of Minister of Finance amending and supplementing some articles of Circular 147/2016/TT-BTC.

6. Recognition of taxation

a) Value Added Tax (VAT)

The Company declares Value Added Tax ("VAT") under the credit method. VAT rates of 5% or 10% are applied depending on the type of product and goods, specifically:

Sugar; by-products from sugar production, including molasses, bagasse, and filter mud: 5%

Sugar bags and provision of services (such as petrol station leasing and sale of raw materials): 10%

For the sugar bag products, the Company is entitled to apply a reduction of VAT rate from 10% to 8% in accordance with Resolution No. 142/2024/QH15 of the National Assembly.

From July 01, 2025, the VAT rate applicable to sugarcane products and related products will be subject to the 10% VAT rate category.

b) Current corporate income tax

Current corporate income tax is calculated based on taxable income and tax rate in the current year.

The Company is exempt from corporate income tax for agricultural product processing activities according to the provisions of Circular 96/2015/TT-BTC dated June 22, 2015 of the Ministry of Finance.

c) Other taxes

Other taxes are applied in accordance with current tax laws in Vietnam.

The Company's tax report will be subject to inspection by the local tax authorities. Because the application of laws and regulations on taxes on different types of transactions can be interpreted in different ways, the tax amounts are presented on the financial statements can be changed at the last decision of the tax authorities.

7. Recognition of payables

Payables are stated at cost. The classification of payables as trade payables and other payables is according to the following principles:

- **Trade payables:** Including commercial payables arisen from purchases of goods, services or assets.
- **Other payables:** Including payables of non-commercial nature, unrelated to transactions of purchase, sale, provision of goods and services (such as: Interest payable, dividends and profit payable, payment of social insurance and health insurance premiums, unemployment insurance, union funds, etc.).

Payables monitoring

Payables shall be specially recorded to original terms and remaining repayment terms as at the reporting date, original currencies and each object. At financial statements' preparation date, payables that have remaining repayment terms of less than 12 months or a business cycle are classified as current payables, payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

Liabilities are recognized no less than the amount payable.

8. Recognition of borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be specially recorded to each object, terms, original currencies. As at the financial statement's preparation date, borrowings and finance lease liabilities that have remaining repayment terms of less than 12 months or a business cycle are classified as short-term borrowings and finance lease liabilities, ones that have remaining repayment terms of over 12 months or a business cycle are classified as long-term borrowings and finance lease liabilities.

9. Recognition and capitalization borrowing costs

Recognition of borrowing costs

Borrowing costs include interest expenses and expenses directly attributable to the borrowings (such as appraisal costs, audit costs, loan application cost and etc.).

Borrowing costs are recognized as financial expenses during the year as incurred (except capitalization cases according to regulations in Vietnamese Accounting Standards No. 16 "Borrowing costs").

Capitalized borrowing costs

Borrowing costs directly related to the construction or production of work-in-progress assets shall be accounted into the value of such assets (capitalized) after deducted gains from temporary investment activities of such borrowings. These borrowing costs are capitalized as part of the cost of assets when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Capitalization of borrowing costs should be ceased when the necessarily activities to bring the qualifying asset to its intended use or sale are complete. Borrowing costs then incurred are recognized as financial expenses.

During the year, the Company did not incur capitalized borrowing costs.

10. Recognition of accrued expenses

Accrued expenses include amounts payable for goods and services received from suppliers during the year but not yet paid due to the absence of invoices or incomplete accounting documents. These expenses are recognized in the reporting period based on the terms specified in the respective contracts. As at year-end, accrued expenses include the payable for construction audit fees.

Basis of determining accrued expenses

Accrual of construction audit fee: based on the contract signed by both parties.

11. Recognition principles and methods for provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The recognition of provisions complies with the requirements of Vietnamese Accounting Standard (VAS) No. 18 – "Provisions, Contingent Assets and Contingent Liabilities". As at the end of the financial year, the Company recognized a provision for accrued salaries in respect of obligations incurred but not yet paid to employees.

Provision recognition method

Provisions are additionally recognized (or reversed) based on the difference between the required provision amount for the current year and the unused provision amount previously recognized in the accounting records.

12. Recognition of owners' equity

a) Recognition of owner's equity and share premium

Share capital is recognized according to the actual amount of capital contributed by shareholders. The contributed capital of the shareholders is recorded at the actual price of the issued shares, but is represented in detail of two criteria: the owner's contributed capital and the share premium.

Common shares are stated at par value. The excess of proceeds contributed over the par value of shares issued is recorded as share premium. Incremental costs directly attributable to the issue of ordinary shares, excluding tax effects, are recognized as a deduction from share premium.

b) Recognition of development and investment funds and other funds under owners' equity

According to the provisions of the Company's Charter, the allocation and use of the Investment and Development Fund and other funds under owners' equity shall be as follows:

- Purpose of use: Investment to expand production scale, business or intensive investment of the Company.
- Authority to make decisions on allocation and use of funds: General meeting of shareholders.

c) Recognition of retained earnings

Retained earnings reflects operation results (profit, loss) after Corporate Income Tax and profit distribution or loss settlement of the Company. Retained earnings are monitored in detail according to the operation results of each fiscal year (previous year, this year), and monitored by each content of profit distribution (appropriation of funds, supplementing the owner's investment capital).

13. Recognition of revenue

Revenue from sale of goods and finished products

Revenue from the sale of sugar, molasses, fertilizer, etc. is recognized when the transaction results are determined reliably and the Company is able to obtain economic benefits from these transactions. Revenue is recognized when the majority of risks and benefits of ownership of the goods have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding the recovery of the funds or the possible return of funds.

Financial income

Financial income includes: Interest on deposits and loans, interest on late payment of goods, interest on bond investments, dividends received, interest from loans for investment in raw material areas, and other financial income.

Interest on deposits, loans, late payment interest, bond interest, and loans interest for investment in raw material areas: Recorded on the basis of time and actual interest rate of each period, unless the ability to collect interest is uncertain.

Dividends and profits received: are recognized when the Company has the right to receive dividends or profit distributions from its equity investments. Dividends received in the form of shares are not recognized as income but are tracked as an increase in the number of shares held.

14. Recognition of cost of sales

Cost of goods sold is recognized on the principle of matching with revenue.

In order to ensure the principle of prudence, expenses that exceed the normal level of inventories are immediately recognized in expenses during the period (after deducting compensation, if any), including: cost of direct materials consumed in excess of normal, labor costs, overhead costs not allocated to the value of products in stock, inventory loss, etc.

Deductions from cost of goods sold include the reversal of provision for inventory devaluation at the end of the financial year (the difference when the required provision for the current year is lower than the provision made in the previous year).

15. Recognition of financial expenses

Financial expenses include: borrowings interest expenses. Borrowings interest expenses (including accruals) of the reporting period are fully recorded in the year.

16. Selling and General & administrative expenses

Selling expenses: are actual expenses incurred in the process of selling products, goods, and providing services, including costs of offering, introducing products, advertising products, costs of preservation, packaging and transportation.

The Company did not incur deductions in selling expenses.

General & administrative expenses: General & administrative expenses include expenses for salaries of employees of the business management department (salaries, wages, allowances, etc.); social insurance, health insurance, trade union funding, unemployment insurance of enterprise management staff; cost of office materials, labor tools, depreciation of fixed assets used for enterprise management; land rent, license tax; provision for bad debts; outsourced services (electricity, water, telephone, fax, etc); other monetary expenses.

Deductions from general and administrative expenses include: Reversal of provision for doubtful debt.

17. Related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties can be companies or individuals, including close members of the family of the individual considered to be related.

In considering the relationship of related parties, the nature of the relationship is emphasized more than the legal form.

Transactions and balances with related parties during the year are presented in Note VIII.2.

18. Other accounting principles and methods

Construction in progress

Expenditures on construction in progress include expenses for investment in capital construction, procurement and overhaul of fixed assets (tangible and intangible fixed assets); expenses for renovation and upgrading of fixed assets.

V. ADDITIONAL INFORMATION FOR ITEMS IN THE BALANCE SHEET

1. Cash and cash equivalents

	Closing balance	Opening balance
Cash on hand	169,424,591	267,101,050
Cash at bank	3,038,648,021	18,265,154,381
Total	3,208,072,612	18,532,255,431

2. Financial investments

2.1 Held-to-maturity investments

	Closing balance			Opening balance		
	Cost	Provision	Fair Value	Cost	Provision	Fair Value
Long term						
Bonds of Vietnam Joint Stock Commercial Bank for Industry and Trade (20,000 bonds)	2,000,000,000	-	2,000,000,000	2,000,000,000	-	2,000,000,000
Total	2,000,000,000	-	2,000,000,000	2,000,000,000	-	2,000,000,000

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2.2 Investment in associate

	Closing balance			Opening balance		
	Cost	Provision	Fair Value	Cost	Provision	Fair Value
To Hieu - Son La Agriculture Co., Ltd	9,600,000,000	-	9,600,000,000	9,600,000,000	-	9,600,000,000
Total	9,600,000,000	-	9,600,000,000	9,600,000,000	-	9,600,000,000

Details of the share capital and voting rights of each Company are as follows:

	Closing balance			Opening balance		
	Owners' capital contribution	Shareholding proportion	Proportion of voting right	Owners' capital contribution	Shareholding proportion	Proportion of voting right
To Hieu - Son La Agriculture Co., Ltd	31,875,600,000	30%	30%	31,875,600,000	30%	30%

A summary of the operations of joint venture and associate during the year is as follows:

The main activity of To Hieu - Son La Agriculture Company Limited during the year is growing sugarcane, corn and consuming related agricultural products.

3. Current trade receivables

	Closing balance	Opening balance
<i>Trade receivables from third parties</i>	<i>207,081,171,957</i>	<i>222,780,093,000</i>
Phu An Sai Gon One Member Company Limited	18,583,630,137	60,200,000,000
An Ha Company Limited	96,994,655,793	59,800,000,000
Le Nam Ha Tien Company Limited	90,000,726,027	101,200,000,000
Others	1,502,160,000	1,580,093,000
<i>Trade receivables from related parties</i>	<i>701,533,898,223</i>	<i>316,832,000,000</i>
<i>(Details of trade receivables from related parties are disclosed in Note VIII.2)</i>		
Total	908,615,070,180	539,612,093,000

4. Short-term advance to suppliers

	Closing balance	Opening balance
<i>Advance to suppliers are third parties</i>	<i>22,509,848,458</i>	<i>15,519,434,667</i>
Vu Le Technology Company Limited	3,214,322,886	2,655,371,195
Vinh Tri Company Limited	6,963,752,001	6,963,752,001
Minh Danh Company Limited	3,366,507,694	653,246,752
Nguyen Nghia Company Limited	2,222,222,222	-
Others	6,743,043,655	5,247,064,719
<i>Advance to suppliers are related parties</i>	<i>-</i>	<i>-</i>
Total	22,509,848,458	15,519,434,667

5. Receivables from short-term loans

	Closing balance			Opening balance		
	Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
Bac Kan Cement Joint Stock Company	3,000,000,000	3,000,000,000	-	3,000,000,000	3,000,000,000	-
Truong Thinh Plastics Joint Stock Company	5,000,000,000	5,000,000,000	-	5,000,000,000	5,000,000,000	-
Road and Bridge Construction Joint Stock Company 19	1,400,000,000	1,400,000,000	-	1,400,000,000	1,400,000,000	-
Total	9,400,000,000	9,400,000,000	-	9,400,000,000	9,400,000,000	-

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6. Other current receivables

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
Other receivables from third parties	102,406,453,015	218,641,204	124,318,876,233	162,990,516
Receivables from investment in raw material areas	99,340,885,825	218,641,204	121,176,392,378	162,990,516
Advances	3,060,933,347	-	2,721,527,591	-
Short term deposits, collaterals	-	-	407,160,000	-
Other receivables	4,633,844	-	13,796,265	-
Other receivables from related parties	500,000,000	-	600,000,000	-
(Details of other receivables from related parties are disclosed in Note VIII.2)				
Total	102,906,453,015	218,641,204	124,918,876,233	162,990,516

7. Bad debts

Accounts receivable, overdue loans, or not overdue but unlikely to be recovered

	Closing balance			Opening balance		
	Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
Bac Kan Cement Joint Stock Company	3,000,000,000	3,000,000,000	-	3,000,000,000	3,000,000,000	-
Road and Bridge Construction Joint Stock Company 19	1,400,000,000	1,400,000,000	-	1,400,000,000	1,400,000,000	-
Truong Thinh Plastics Joint Stock Company	5,000,000,000	5,000,000,000	-	5,000,000,000	5,000,000,000	-
Binh Anh Trading Company Limited	1,792,550,000	1,792,550,000	-	1,792,550,000	1,792,550,000	-
Others	365,527,160	340,801,204	24,725,956	363,083,517	363,083,517	-
Total	11,558,077,160	11,533,351,204	24,725,956	11,555,633,517	11,555,633,517	-

Company's assessment of the ability to recover overdue debts

The Company has assessed and made a provision for overdue debts and irrecoverable debts with appropriate caution. The Company will continue to implement measures to ensure that overdue debt is recovered.

Details of increase and decrease in provision for bad debts

	Current year	Previous year
Opening balance	11,555,633,517	11,554,206,984
Additional provision in the year	55,650,687	26,917,972
Provision reversal during the year	(77,933,000)	(25,491,439)
Writing off debt with provisions during the year	-	-
Closing balance	11,533,351,204	11,555,633,517

8. Inventories

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
Raw materials	127,139,759,795	(24,492,392,400)	130,546,047,896	(3,148,876,501)
Tools, supplies	73,199,579	-	33,783,492	-
Finished goods	409,381,607,533	(1,383,000,000)	292,284,401,670	-
Goods	786,614,129	-	10,865,238,959	-
Total	537,381,181,036	(25,875,392,400)	433,729,472,017	(3,148,876,501)

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Book value of inventories used as mortgages, pledge and guarantee for payable debts:

	VND
Raw materials	127,139,759,795
Tools, supplies	73,199,579
Finished goods	409,381,607,533
Goods	786,614,129
Total	537,381,181,036

The value of the above inventory is used as mortgage, pledge for the loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Son La branch. (Details to Note V.18).

Details of the increase, decrease in provision for devaluation of inventories:

	Current year	Previous year
Provision for devaluation of inventories at the beginning of year	3,148,876,501	4,408,255,551
Add: Provision is made for the year	24,180,714,851	-
Less: Use and reversal of provision during the year	(1,454,198,952)	(1,259,379,050)
Provision for devaluation of inventories at the end of year	25,875,392,400	3,148,876,501

9. Construction in progress

	Closing balance	Opening balance
Investment project to upgrade equipment and produce refined sugar in 2015	3,578,711,650	3,578,711,650
Steel structure construction project for bagasse storage facility	3,080,652,853	-
Others projects	2,480,794,677	3,895,137,657
Total	9,140,159,180	7,473,849,307

10. Increase and decrease of intangible fixed assets

	Land use right	Computer software	Total
HISTORIAL COST			
Opening balance	1,080,949,765	938,041,895	2,018,991,660
Purchase during the year	-	-	-
Disposal, sale	-	-	-
Closing balance	1,080,949,765	938,041,895	2,018,991,660
ACCUMULATED AMORTIZATION			
Opening balance	-	831,210,480	831,210,480
Amortization during the year	-	14,244,192	14,244,192
Closing balance	-	845,454,672	845,454,672
CARRYING VALUE			
Opening balance	1,080,949,765	106,831,415	1,187,781,180
Closing balance	1,080,949,765	92,587,223	1,173,536,988

In which:

The cost of intangible fixed assets as at June 30, 2025, fully depreciated but still in use, is VND 795,600,000 (as at June 30, 2024, it is VND 795,600,000).

The carrying value of intangible fixed assets as at June 30, 2025, used as collateral for loan is VND 92,587,223 (as at June 30, 2024 is VND 106,831,415).

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11. Increase or decrease in tangible fixed assets

HISTORICAL COST	Buildings and structures	Machinery and equipment	Means of transportation and transmission	Office equipment	Other tangible fixed assets	Total
Opening balance	186,825,565,972	814,472,211,763	9,246,497,122	3,235,777,305	452,727,273	1,014,232,779,435
Purchase during the year	7,500,050,405	10,810,465,725	5,069,625,925	-	-	23,380,142,055
Completed capital construction investment	4,345,410,451	-	-	-	-	4,345,410,451
Disposal	(1,564,566,535)	(9,672,015,328)	(219,300,000)	-	-	(11,455,881,863)
Closing balance	197,106,460,293	815,610,662,160	14,096,823,047	3,235,777,305	452,727,273	1,030,502,450,078
ACCUMULATED DEPRECIATION						
Opening balance	89,921,131,267	369,335,486,191	4,633,668,170	1,482,581,219	452,727,273	465,825,594,120
Depreciation during the year	6,281,934,058	49,490,234,473	847,805,942	208,862,364	-	56,828,836,836
Wear and tear during the year	67,252,380	-	-	-	-	67,252,380
Disposal	(1,564,566,535)	(5,368,327,227)	(219,300,000)	-	-	(7,152,193,762)
Closing balance	94,705,751,170	413,457,393,437	5,262,174,112	1,691,443,583	452,727,273	515,569,489,574
CARRYING VALUE						
Opening balance	96,904,434,705	445,136,725,572	4,612,828,952	1,753,196,086	-	548,407,185,315
Closing balance	102,400,709,123	402,153,268,723	8,834,648,936	1,544,333,722	-	514,932,960,504

In which:

The historical cost of tangible fixed assets as at June 30, 2025, fully depreciated but still in use, is VND 136,778,152,745 (as at June 30, 2024 is VND 103,188,237,064).

The carrying value of tangible fixed assets as at June 30, 2025 used as mortgage, pledge, or loan guarantee is VND 453,872,699,449 (as at June 30, 2024 is VND 387,859,903,274).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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12. Current trade payables

	Closing balance		Opening balance	
	Value	Able-to-pay amount	Value	Able-to-pay amount
Trade payables to third parties	41,354,431,137	41,354,431,137	37,923,830,873	37,923,830,873
Anh Duong Consulting, and equipment technology Joint Stock Company	1,135,500,000	1,135,500,000	1,135,500,000	1,135,500,000
Song Gianh Joint Stock Corporation	6,071,994,500	6,071,994,500	548,586,500	548,586,500
Hiep Thanh Industry Joint Stock Company	4,551,150,035	4,551,150,035	4,551,150,035	4,551,150,035
Surgarcane transport individuals	24,220,158,640	24,220,158,640	23,224,150,392	23,224,150,392
Remaining suppliers	5,375,627,962	5,375,627,962	8,464,443,946	8,464,443,946
Trade payables to related parties	4,200,287,754	4,200,287,754	5,204,750,180	5,204,750,180
<i>(Details of payables to related parties are disclosed in Note VIII.2)</i>				
Total	45,554,718,891	45,554,718,891	43,128,581,053	43,128,581,053

13. Current advance from customers

	Closing balance	Opening balance
Current advance from third parties	1,014,496,300	461,666,050
Moc Chau Dairy Cattle Breeding Joint Stock Company	794,428,000	162,260,000
Son La Bio-Energy Joint Stock Company	-	61,254,000
Mr. Pham Huu Quang	140,021,500	140,021,500
Others	80,046,800	98,130,550
Current advance from related parties	-	-
Total	1,014,496,300	461,666,050

14. Statutory obligations

	Opening balance	Payable in the year	Paid amount in the year	Closing balance
Value Added Tax on domestic sales	16,431,762,229	45,351,780,118	44,068,261,289	17,715,281,058
Value added tax on imported goods	-	1,384,295,830	1,384,295,830	-
Import and export tax	-	87,653,058	87,653,058	-
Corporate income tax	5,906,554,483	6,943,899,540	5,906,554,483	6,943,899,540
Personal income tax	45,885,790	9,032,198,134	9,041,188,343	36,895,581
Natural resource consumption tax	-	46,648,400	46,648,400	-
Land rent, land tax	-	261,360,540	261,360,540	-
Other tax	-	3,000,000	3,000,000	-
Fees, charges, and other payables	-	941,053,680	941,053,680	-
Total	22,384,202,502	64,051,889,300	61,740,015,623	24,696,076,179

15. Current accrued expenses

	Closing balance	Opening balance
Accrual for sugarcane procurement management costs	-	1,007,544,371
Other accrued expenses	19,444,414	28,381,914
Total	19,444,414	1,035,926,285

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16. Other current payables

	Closing balance	Opening balance
Trade Union fee	359,207,206	293,156,515
Short-term deposits received	717,918,210	97,918,210
Others	700,849,722	524,589,871
Total	1,777,975,138	915,664,596

17. Provision for short-term payables

	Closing balance	Opening balance
Salary provision	5,700,000,000	4,000,000,000
Total	5,700,000,000	4,000,000,000

SON LA SUGAR JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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18. Loans and finance lease liabilities

	Opening balance		During the year		Closing balance	
	Value	Able-to-pay amount	Increase	Decrease	Value	Able-to-pay amount
Short-term loans	57,209,043,280	57,209,043,280	354,075,417,277	136,400,873,376	274,883,587,181	274,883,587,181
Vietnam Joint Stock Commercial Bank for Industry and Trade - Son La branch (i)	57,209,043,280	57,209,043,280	301,828,031,556	133,400,873,376	225,636,201,460	225,636,201,460
Joint Stock Commercial Bank for Investment and Development of Vietnam (ii)	-	-	52,247,385,721	3,000,000,000	49,247,385,721	49,247,385,721
Current portion of long-term loans	4,500,000,000	4,500,000,000	-	4,500,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Son La branch	4,500,000,000	4,500,000,000	-	4,500,000,000	-	-
Total	61,709,043,280	61,709,043,280	354,075,417,277	140,900,873,376	274,883,587,181	274,883,587,181

(i) Short-term borrowings from Vietnam Joint Stock Commercial Bank for Industry and Trade – Son La Branch, under Credit Limit Loan Agreement No. 20.02/2024-HĐCVHM/NHCT190-SLS dated February 27, 2024, together with the addendum dated January 24, 2024 regarding the extension of credit limit duration, and Credit Limit Loan Agreement No. 06.03/2025-HĐCVHM/NHCT190-SLS dated March 18, 2025. The borrowings is intended to supplement working capital for production and business activities in accordance with the Company's registered business lines (excluding petroleum trading activities). The credit limit is VND 400 billion from September to the end of October each year and VND 500 billion from November to the end of August of the following year. The credit limit is maintained until March 31, 2025 and February 28, 2026, respectively. The loan term is determined according to each debt acknowledgment note but shall not exceed 6 months for activities related to sugarcane production and its by-products, and shall not exceed 12 months for capital investment in raw material areas. Interest rates are subject to adjustment and are specified in each debt acknowledgment note. As at June 30, 2025, the outstanding loan balances were VND 129,727,499,743 and VND 95,908,701,717, respectively.

These borrowings are secured by the following collateral agreements:

- Movable Asset Mortgage Agreement No. 05.38/2024/HĐBĐ/NHCT190 dated February 23, 2024;
- Asset Mortgage Agreement No. 06.38/2024/HĐBĐ/NHCT190 dated February 23, 2024;
- Inventory Mortgage Agreement No. 07.38/2024/HĐBĐ/NHCT190 dated February 23, 2024;
- Receivables Mortgage Agreement No. 08.38/2024/HĐBĐ/NHCT190 dated February 23, 2024.

(ii) Short-term borrowings from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Son La Branch, under Credit Facility Agreement No. 01/2025/951311/HĐTD dated April 24, 2025. The maximum credit limit is VND 250 billion, of which up to VND 200 billion is available from December 2024 to the end of May 2025, and up to VND 150 billion from June 2025 to the end of November 2025. The purpose of the borrowings is to supplement working capital for business and production activities. The credit facility is valid from the contract signing date until November 30, 2025. The loan terms and interest rates are specified in individual credit contracts. This borrowings is secured by the following collateral agreements: Master Receivables Mortgage Agreement No. 01/2025/951311/HĐBĐ dated April 24, 2025; Asset Mortgage Agreement No. 02/2025/951311/HĐBĐ dated April 24, 2025; and Asset Mortgage Agreement No. 03/2025/951311/HĐBĐ dated April 24, 2025.

SON LA SUGAR JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the fiscal year ended June 30, 2025

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19. Owners' equity

19.1 Changes in owners' equity

	Share capital	Share premium	Development investment fund	Other funds under owners' equity	Retained earnings	Total
Opening balance of previous year	97,919,450,000	3,998,638,028	45,607,779,802	8,174,806,000	1,024,947,559,836	1,180,648,233,666
Profit in the previous year	-	-	-	-	526,358,983,476	526,358,983,476
Dividends paid to shareholders	-	-	-	-	(146,879,175,000)	(146,879,175,000)
Appropriation of funds	-	-	-	2,000,000,000	(6,000,000,000)	(4,000,000,000)
Use of funds	-	-	-	(1,373,770,000)	-	(1,373,770,000)
Closing balance of previous year/Opening balance of current year	97,919,450,000	3,998,638,028	45,607,779,802	8,801,036,000	1,398,427,368,312	1,554,754,272,142
Profit in current year	-	-	-	-	374,209,065,919	374,209,065,919
Dividends paid to shareholders	-	-	-	-	(195,838,900,000)	(195,838,900,000)
Appropriation of funds	-	-	50,000,000,000	-	(54,500,000,000)	(4,500,000,000)
Use of funds	-	-	-	(1,123,740,000)	-	(1,123,740,000)
Other increase	-	-	-	-	11,058,000	11,058,000
Closing balance of current year	97,919,450,000	3,998,638,028	95,607,779,802	7,677,296,000	1,522,308,592,231	1,727,511,756,061

During the year, the Company distributed funds and paid dividends to shareholders according to the Resolution of the 2024 Annual General Meeting of Shareholders No. 01/NQ-ĐHĐCĐTN2024 dated September 05, 2024. Accordingly, the Company divided cash dividends at the rate of 200% of charter capital.

Other funds under owners' equity are used during the year to serve investment and development of raw material areas.

SON LA SUGAR JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the fiscal year ended June 30, 2025

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19.2 Details of owners' equity

	Closing balance	Opening balance
Ms. Tran Thi Thai	26,860,600,000	26,860,600,000
Thai Lien Company Limited	14,688,000,000	14,688,000,000
Mr. Dang Viet Anh	9,638,780,000	9,638,780,000
Employees and Shareholders	46,732,070,000	46,732,070,000
Total	97,919,450,000	97,919,450,000

Capital transactions with owners and dividend, profit distribution

	Current year	Previous year
Contributed capital		
+ At the beginning of the year	97,919,450,000	97,919,450,000
+ Increase during the year	-	-
+ Decrease during the year	-	-
+ At the end of year	97,919,450,000	97,919,450,000
Dividends and profits distributed	195,838,900,000	146,879,175,000

Shares

	Closing balance	Opening balance
Authorized shares	9,791,945	9,791,945
Issued shares	9,791,945	9,791,945
- Common shares	9,791,945	9,791,945
Repurchased shares	-	-
Shares in circulation	9,791,945	9,791,945
- Common shares	9,791,945	9,791,945

Par value of outstanding shares: 10,000 VND

20. Off-balance sheet items

a) Assets held on behalf of third parties

Goods sold but not yet dispatched	Unit	Quantity	Quality
Premium refined white sugar Grade I (NU-50), 2024–2025 production season	Kg	1,125,000	Good
Premium refined white sugar Grade I (NU-70), 2024–2025 production season	Kg	1,380,350	Good
Premium refined white sugar Grade I (NU-A1), 2024–2025 production season	Kg	541,000	Good
Molasses, 2024–2025 production season	Kg	2,501,980	Good
Total		5,548,330	

b) Bad debts written off

Details of bad debts settled in 10 years are as follows:

Content	Debt amount (VND)	Year of debt written off	Reason for debt written off
Receivables from investments in raw material areas existed from 2007 to 2013	359,716,531	2018	Irrecoverable debts
Receivables from investments in raw material areas existed from 2014 to 2020	147,605,180	2023	Irrecoverable debts

SON LA SUGAR JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the fiscal year ended June 30, 2025

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VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Revenue from sales of goods and rendering of services

	Current year	Previous year
Revenue from sugar, molasses, and mud residue	1,071,946,901,607	1,322,199,822,932
Revenue from microbiological products and fermented sludge-based fertilizers	4,577,400,000	8,073,210,000
Revenue from fertilizers, pesticides, and sugarcane seeds	83,851,523,159	80,974,718,393
Other revenue	507,376,470	446,556,644
Total	1,160,883,201,236	1,411,694,307,969

In which:

	Current year	Previous year
Revenue from third parties	306,596,143,147	508,332,962,448
Revenue from related parties	854,287,058,089	903,361,345,521
Total	1,160,883,201,236	1,411,694,307,969

2. Cost of sales

	Current year	Previous year
Cost of sugar, molasses, and mud residue	671,418,881,070	798,597,665,534
Cost of microbiological products and fermented sludge-based fertilizers	4,038,153,197	6,509,437,401
Cost of fertilizers, pesticides, and sugarcane seeds	80,777,291,684	79,627,170,595
Cost of other activities	305,930,786	157,429,064
Provision for / Reversal of provision for inventory	23,603,835,728	(1,259,379,050)
Total	780,144,092,465	883,632,323,544

3. Financial income

	Current year	Previous year
Interest on deposits and loans	1,121,426,781	7,072,550,141
Interest on bond investments	133,000,000	132,000,000
Dividend, profit received	335,298,004	364,304,498
Interest on loan from investment for raw material areas	2,965,969,248	9,572,530,170
Interest on deferred payment sales	33,349,724,994	14,338,479,947
Other financial income	130,550,000	272,052,000
Total	38,035,969,027	31,751,916,756

4. Financial expenses

	Current year	Previous year
Interest expenses	3,793,542,996	2,747,846,792
Other financial expenses	-	26,208,000
Total	3,793,542,996	2,774,054,792

5. Selling expenses

	Current year	Previous year
Labour cost	-	9,480,040
Materials and packaging expenses	195,109,322	-
Depreciation and amortisation of fixed assets	113,517,360	113,517,360
Outsourced services expenses	2,591,416,596	2,596,004,620
Other monetary expenses	84,080,959	120,037,876
Total	2,984,124,237	2,839,039,896

SON LA SUGAR JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the fiscal year ended June 30, 2025

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6. General and administrative expenses

	Current year	Previous year
Labour costs	13,401,831,736	5,098,927,622
Materials expenses	699,301,112	133,649,786
Office supplies	294,125,472	637,870,252
Depreciation and amortisation of fixed assets	909,886,860	393,141,501
Taxes, charges and fees	596,792,751	979,374,552
Provision expenses	1,677,717,687	4,001,426,533
Outsourced services expenses	8,844,700,044	5,102,728,293
Other monetary expenses	5,054,059,259	5,500,833,969
Total	31,478,414,920	21,847,952,508

7. Other income

	Current year	Previous year
Income from liquidation of fixed assets and materials	685,281,899	-
Leasing of kiosks and associated utility charges (electricity and water)	68,988,943	11,111,111
Others	45,858,545	9,260,259
Total	800,129,387	20,371,370

8. Other expenses

	Current year	Previous year
Penalties	125,387,043	107,687,396
Others	40,772,530	-
Total	166,159,573	107,687,396

9. Cost by nature

	Current year	Previous year
Raw material costs	656,511,095,440	671,951,951,251
Labor costs	50,739,465,113	40,943,993,117
Tools and supplies expenses	122,759,865	166,223,719
Depreciation and amortisation of fixed assets	56,843,081,028	55,712,749,435
Provision expenses	25,281,553,415	2,742,047,483
Outsourced services expenses	53,438,771,290	51,333,501,073
Other monetary expenses	7,683,888,865	7,757,675,970
Total	850,620,615,015	830,608,142,047

10. Current Corporate Income Tax Expense

	Current year	Previous year
Current corporate income tax expense is calculated based on taxable income of the current year	6,943,899,540	5,906,554,483
Total	6,943,899,540	5,906,554,483

Current corporate income tax payables are determined based on the taxable income for the current year. The Company's taxable income is different from the accounting profit reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it also excludes items that are non-taxable or non-deductible for tax purposes. The current corporate income tax payable of the Company is calculated based on the tax rates that have been enacted as of the end of the financial year.

SON LA SUGAR JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Details of current corporate income tax expenses incurred by the Company during the year are as follows:

	Current year	Previous year
Net profit before tax	381,152,965,459	532,265,537,959
<i>Activities exempt from Corporate Income Tax</i>	<i>346,823,778,115</i>	<i>503,077,000,644</i>
<i>Activities not exempt from Corporate Income Tax</i>	<i>34,329,187,344</i>	<i>29,188,537,315</i>
Adjustments to increase/(decrease) accounting profit	3,582,495,011	3,837,723,891
<u>Adjustments of increase</u>	<u>3,582,495,011</u>	<u>3,837,723,891</u>
Non-deductible expenses	3,582,495,011	3,837,723,891
<i>Activities exempt from Corporate Income Tax</i>	<i>3,192,184,655</i>	<i>3,493,488,792</i>
<i>Activities not exempt from Corporate Income Tax</i>	<i>390,310,356</i>	<i>344,235,099</i>
<u>Adjustments of decrease</u>	<u>-</u>	<u>-</u>
Income from non-taxable activities	-	-
Adjusted profit before tax excluding losses of the previous year	384,735,460,470	536,103,261,850
Previous year's loss carried forward	-	-
Income from activities exempt from corporate income tax	350,015,962,770	506,570,489,436
Taxable income from other activities	34,719,497,700	29,532,772,414
Tax rate	20%	20%
Estimated current corporate income tax payable	6,943,899,540	5,906,554,483

11. Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss after tax attributable to the shareholders of the Company's common shares by the weighted average number of common shares outstanding during the year.

The company uses the following information to calculate basic earnings per share:

	Current year	Previous year
Accounting profit after corporate income tax	374,209,065,919	526,358,983,476
Adjustments to increase or decrease accounting profits to determine allocated profits to common shareholders:	-	-
Profits distributed to common shareholders of the Company	374,209,065,919	526,358,983,476
Bonus and welfare fund in the year (*)	4,500,000,000	4,500,000,000
Average outstanding common shares during the year (**)	9,791,945	9,791,945
Basic earnings per share	37,756	53,295

(*) According to Resolution of the 2024 Annual General Meeting of Shareholders No. 01/NQ-DHĐCĐTN2024 dated September 05, 2024, the Company appropriated VND 4,500,000,000 from the profit of the fiscal year 2023–2024 to the bonus and welfare fund, and the bonus funds for the Board of Directors, the Board of Supervisors, and the Board of Management.

In the fiscal year 2024–2025, the Company provisionally estimates the appropriation to the bonus and welfare fund from the profit of the fiscal year 2024–2025 to be the same amount as the appropriation made in the previous year.

(**) Average outstanding common shares during the year are determined as follows:

	Current year	Previous year
Average outstanding common shares at the beginning of the year	9,791,945	9,791,945
Average number of additional shares issued during the year	-	-
Less: average number of treasury shares repurchased during the year	-	-
Average common shares circulation in the year	9,791,945	9,791,945

VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT

1. Non cash transactions

	<u>Current year</u>	<u>Previous year</u>
Bank borrowings paid directly to suppliers, borrowings to pay employee salaries	195,330,417,277	82,529,043,280
Total	<u><u>195,330,417,277</u></u>	<u><u>82,529,043,280</u></u>

VIII OTHER INFORMATION

1. Subsequent events after balance sheet date

The Board of Management of the Company affirms that, in all material respects, there are no subsequent events after the balance sheet date that affect the financial position and operations of the Company that require adjustments or disclosures in the financial statements for the fiscal year ended June 30, 2025.

2. Transactions with related parties

A party is considered as related if it can control the other parties or has significant influence on the other party in making financial and operating decisions. Related parties comprise enterprises including parent company, subsidiaries, individual directly or indirectly through one or more intermediaries, control or are controlled by, or under the same control as the Company. Associates, individuals owning, directly or indirectly, an interest in the voting right of the Company that give them significant influence on the enterprise, key management personnel, including directors and officers, close members of the family of these individuals or associates and companies associated with these individuals also constitute related parties.

2.1 Transactions with key management personnel

Key management members and related individuals include: members of the Board of Directors, Board of Supervisors, Board of Management, Chief Accountant and close members in the family of these individuals.

Transactions with members of the Board of Directors, Board of Supervisors, Board of Management, Chief Accountant of the Company arising during the year, details are as follows:

	<u>Current year</u>	<u>Previous year</u>
Income of key management members		
Mr. Dang Viet Anh	930,300,000	760,500,000
Mr. Tran Ngoc Hieu	1,786,928,000	1,791,060,000
Ms. Tran Thi Bich Nhi	337,900,000	310,500,000
Mr. Thai Van Hung	1,113,000,000	1,138,500,000
Mr. Nguyen Truong Chinh	327,900,000	300,500,000
Ms. Nguyen Thi Thuy	272,900,000	280,500,000
Mr. Nguyen Van Tai	475,940,000	529,140,000
Mr. Nguyen Van Dai	338,940,000	372,323,333
Ms. Nguyen Thi Khuong	392,440,000	428,440,000
Advances received from the Company		
Mr. Tran Ngoc Hieu	-	300,000,000
Mr. Dang Viet Anh	-	300,000,000
Advances repayment		
Mr. Tran Ngoc Hieu	100,000,000	-
Dividends received from the Company		
Mr. Dang Viet Anh	19,277,560,000	14,458,170,000
Mr. Tran Ngoc Hieu	2,634,620,000	1,975,965,000
Ms. Nguyen Thi Khuong	18,480,000	13,860,000

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At the end of the fiscal year, the receivable and payable balances with key management members are as follows:

Other current receivables (Detailed note for item V.6)

Advances

	Closing balance	Opening balance
Mr. Tran Ngoc Hieu	200,000,000	300,000,000
Mr. Dang Viet Anh	300,000,000	300,000,000
Total	500,000,000	500,000,000

2.2 Other related parties

The list of other related parties to the Company includes:

Related parties	Relationship
Kim Ha Viet Company Limited	The company has the same key management members
Kon Tum Sugar Joint Stock Company	The company has the same key management members
Tuy Hoa Sugar Cane and Sugar Joint Stock Company	The company has the same key management members
Viet Kingdom Investment Corporation	Ms. Ta Ngoc Huong, wife of Mr. Tran Ngoc Hieu, is the Director of Viet Kingdom Investment Corporation
Nam Phuong Ha Tien Company Limited Member	Ms. Dang Thi Thu Hang - Owner of Nam Phuong Ha Tien Company Limited Member is the sister of Mr. Dang Viet Anh - Chairman of the Board of Directors of Son La Sugar Joint Stock Company.
Thai Lien Company Limited	Shareholder
To Hieu - Son La Agriculture Company Limited	Joint venture and associate
Tra Vinh Sugar Joint Stock Company	The company has the same key management members
Grain Import Export Joint Stock Company	The company has the same key management members
Can Tho Mechanical Electrical Machinery Joint Stock Company	Ms. Dang Thi Thu Hang - Owner of CanTho Mechanical Electrical Machinery Joint Stock Company is the sister of Mr. Dang Viet Anh - Chairman of the Board of Directors of Son La Sugar Joint Stock Company
Thien Thien Phuc Trading Company Limited	Ms. Dang Thi Thu Hang - Shareholder of Thien Thien Phuc Trading Company Limited is the sister of Mr. Dang Viet Anh - Chairman of the Board of Directors of Son La Sugar Joint Stock Company
Thai Minh Anh Vietnam Company Limited	Ms. Le Thi Sang - Shareholder of Thai Minh Anh Vietnam Company Limited is the wife of Mr. Dang Viet Anh - Chairman of the Board of Directors of Son La Sugar Joint Stock Company

Transactions with these related parties during the year are as follows:

	Current year	Previous year
Kim Ha Viet Company Limited		
Sale of goods	200,858,438,094	120,157,857,143
Interest on late payment of goods	5,442,479,646	982,549,318
Purchases of supplies	22,988,459,720	20,014,613,542
Kon Tum Sugar Joint Stock Company		
Interest on late payment of goods	-	490,684,931
Purchases of supplies	-	195,726,947
Tuy Hoa Sugar Cane and Sugar Joint Stock Company		
Interest on deferred purchase payments	-	306,724,316

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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	<u>Current year</u>	<u>Previous year</u>
<i>Thai Lien Company Limited</i>		
Sale of goods	81,523,809,525	128,619,047,620
Interest on late payment of goods	1,834,538,111	486,807,917
Dividends paid	29,376,000,000	22,032,000,000
<i>Viet Kingdom Investment Corporation</i>		
Sale of goods	116,760,266,666	87,453,945,140
Interest on late payment of goods	4,235,730,393	871,019,965
<i>Nam Phuong Ha Tien Company Limited Member</i>		
Sale of goods	49,714,285,713	75,571,428,572
Interest on late payment of goods	1,743,801,367	1,404,096,919
<i>To Hieu - Son La Agriculture Company Limited</i>		
Sale of goods	1,096,924,761	113,352,761
Purchase of raw sugar cane	7,379,331,471	7,519,849,560
Repayment of sugarcane purchase advances	96,837,755	-
Distributed dividends	335,298,004	364,304,498
Interest on sugarcane investment loans	14,217,428	-
Collection of sugarcane investment loans	380,689,277	-
<i>Tra Vinh Sugar Joint Stock Company</i>		
Sale of goods	137,904,761,903	88,619,047,619
Interest on late payment of goods	154,421,919	642,593,560
<i>Grain Import Export Joint Stock Company</i>		
Sale of goods	216,952,380,951	272,350,476,190
Interest on late payment of goods	7,023,228,766	2,309,415,563
<i>CanTho Mechanical Electrical Machinery JSC</i>		
Interest on late payment of goods	-	836,032,876
<i>Thien Thien Phuc Trading Company Limited</i>		
Sale of goods	49,476,190,476	130,476,190,476
Interest on late payment of goods	3,706,856,852	1,502,614,659
<i>Thai Minh Anh Vietnam Company Limited</i>		
Purchases of supplies, services	3,502,172,621	(*)

(*) From July 01, 2023 to June 30, 2024, Thai Minh Anh Vietnam Co., Ltd. was not a related party.

At the end of the fiscal year, the balance of receivables and payables with other related parties are as follows:

Trade receivables(Detailed note for item V.3)

	<u>Closing balance</u>	<u>Opening balance</u>
Kim Ha Viet Company Limited	194,498,928,321	59,800,000,000
Viet Kingdom Investment Corporation	105,016,787,024	63,150,000,000
Nam Phuong Ha Tien Company Limited Member	46,408,849,315	55,850,000,000
Thai Lien Company Limited	11,779,013,699	7,782,000,000
Tra Vinh Sugar Joint Stock Company	84,854,421,919	-
Grain Import Export Joint Stock Company	167,088,986,301	70,150,000,000
Thien Thien Phuc Trading Company Limited	91,886,911,644	60,100,000,000
Total	701,533,898,223	316,832,000,000

SON LA SUGAR JOINT STOCK COMPANY
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Trade payables (Detailed note for item V.12)

	<u>Closing balance</u>	<u>Opening balance</u>
To Hieu - Son La Agriculture Company Limited	155,815,748	-
Kim Ha Viet Company Limited	3,993,682,366	5,204,750,180
Thai Minh Anh Vietnam Company Limited	50,789,640	(*)
Total	4,200,287,754	5,204,750,180

(*) As at June 30, 2024, Thai Minh Anh Vietnam Co., Ltd. was not a related party.

Pricing policy for transactions between the Company and other related parties

Goods and services from related parties are purchased at agreed prices.

Receivables are unsecured and will be paid in cash. No allowance for doubtful debts has been made for receivables from related parties.

3. Comparative figures

Comparative information presented is based on figures from the Financial Statements for the fiscal year ended June 30, 2024, which have been audited by BDO Audit Services Company Limited.

Son La, August 25, 2025

Preparer



Duong Hai Linh

Chief Accountant



Nguyen Thi Khuong

General Director



Tran Ngoc Hieu