

Hai Phong, March 27, 2025

**INFORMATION DISCLOSURE ON THE WEB PORTAL OF
THE STATE SECURITIES COMMISSION AND THE HO CHI MINH CITY
STOCK EXCHANGE HCM**

To: - **State Securities Commission**
- **Ho Chi Minh City Stock Exchange**

Company: HAPACO GROUP JOINT STOCK COMPANY
Stock Code: HAP
Head Office Address: 3rd Floor, Green Building, No. 7, Lot 28A, Le Hong Phong
Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City.
Telephone: (84 225) 3556 002
Fax: (84 225) 3556 008
Information discloser: Vu Xuan Thinh – Deputy General Director

Content of information to be announced:

Pursuant to the regulations on information disclosure, HAPACO Group Joint Stock Company would like to disclose information on the audited separate and consolidated financial statements for 2024, including:

- Balance sheet;
- Report on production and business results;
- Cash flow statements;
- Explanation of financial statements.

This information is published on the website of HAPACO Group Joint Stock Company:

www.hapaco.vn Shareholder Relations section on March 27, 2025.

We commit that the information published above is true and fully responsible before the law for the content of the published information.

Persons authorized to disclose information

Vu Xuan Thinh

**HAPACO GROUP JOINT STOCK
COMPANY**

No: 16/2025/CV-HAP

“Re: Explanation of consolidated financial
statements in 2024”

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Hai Phong, March 27, 2025

**Respectfully to: - State Security Commission of Vietnam
- Ho Chi Minh Stock Exchange**

Pursuant to the Circular No. 96/2020/TT-BTC on November 16, 2020 of the Ministry of Finance guiding on the disclosure of information on the stock market, Hapaco Group Joint Stock Company would like to explain the following content:

1. Explaining that the profit after corporate income tax at the income statement of the disclosing period changes by 10% or more compared to the income statement of the same period last year.

Details of difference in Profit after corporate income tax in 2024 compared to 2023: (Unit: VND)

Content	2023	2024	Difference	Rate of change
Profit after corporate income tax	18,310,845,545	101,815,298,152	83,504,452,607	456%

Cause:

Due to the fact that Company has re-evaluated its investment in Green International Hospital Joint Stock Company during the year, the profit after corporate income tax has increased by 456%.

The above main causes have led to an increase in the Company's accounting profit after corporate income tax in 2024 compared to 2023.

2/ Explaining the data and business performance results in the income statement in the reporting period has a difference of 5% or more before and after auditing.

Details of the difference in profit after corporate income tax before and after auditing: (unit: VND)

Content	Before auditing	After auditing	Difference	Rate of change
Profit after corporate income tax	13,286,300,047	101,815,298,152	88,528,998,105	666%

The audited financial statements have re-evaluated the investment in Green International Hospital Joint Stock Company and set up provisions for doubtful debts for some debts that are assessed as unlikely to be recovered.

Above are explanations of Hapaco Group Joint Stock Company on the profit after corporate income tax of Hapaco Group.

Sincerely./.

Recipient:

- As above;
- Save in Archive, Finance and Accounting

**HAPACO GROUP JOINT STOCK COMPANY
DEPUTY GENERAL DIRECTOR - IN CHARGE**

VU XUAN THUY

HAPACO
GROUP JOINT STOCK COMPANY
Audited consolidated financial statements for the
fiscal year ended on December 31, 2024

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended on December 31, 2024

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HAPACO GROUP JOINT STOCK COMPANY

ABOUT THE COMPANY

GENERAL INFORMATION OF THE COMPANY

Hapaco Group Joint Stock Company was equitized from a State-owned enterprise by: Transferring the entire value of the existing State capital at Hai Phong Paper Company and the existing State shares of Hai Phong Paper Company in Hai Au Joint Stock Company to Hapaco Joint Stock Company according to Decision No. 1912/QD/UB dated October 28, 1999 of the People's Committee of Hai Phong City. Hapaco Group Joint Stock Company was renamed from Hapaco Joint Stock Company according to the Business Registration Certificate No. 0200371361 issued by the Department of Planning and Investment of Hai Phong City for the 11th time on November 21, 2009. During its operation, the Company was granted the 14th Business Registration Certificate on August 12, 2024 by the Department of Planning and Investment of Hai Phong City.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange. Stock code HAP.

BOARD OF DIRECTORS

The members of the Board of Directors who have conducted the Company's operations during the year and up to the date of this statement include:

- Mr. Vu Duong Hien	Chairman
- Mr. Vu Xuan Thuy	Vice Chairman
- Mr. Vu Xuan Thinh	Member
- Mr. Vu Xuan Cuong	Member
- Mr. Pham Cong Ngu	Member (Resignation letter dated March 10, 2025)
- Mr. Nguyen Duc Hau	Member
- Mr. Doan Duc Luyen	Member

BOARD OF MANAGEMENT

The members of the Board of Management who conducted the Company's operations during the year and up to the date of this statement include:

- Mr. Vu Xuan Thuy	Deputy General Director in charge
- Mr. Vu Xuan Thinh	Deputy General Manager
- Mr. Vu Xuan Cuong	Deputy General Manager
- Mr. Nguyen Duc Hau	Deputy General Manager

BOARD OF SUPERVISORS

The members of the Board of Supervisors of the Company during the year and at the date of this statement include:

- Mr. Pham Duc Phien	Chief
- Ms. Nguyen Thi My Trang	Member
- Ms. Khoa Thi Thanh Huyen	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and as of the date of this statement is Mr. Vu Duong Hien - Chairman of the Board of Directors.

Mr. Vu Xuan Thuy - Deputy General Director in charge of the Board of Management was authorized by Mr. Vu Duong Hien to sign the Consolidated Financial Statements for the fiscal year ended on December 31, 2023 under Authorization Letter No. 80/2022/GUQ-HAP of the Chairman of the Board of Directors dated October 20, 2022.

BUSINESS REGISTRATION OFFICE

The company is headquartered at 3rd Floor, Green Building, No. 7, Lot 28A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam.

AUDITOR

BDO Audit Co., Ltd. has audited the Company's consolidated financial statements for the fiscal year ended on December 31, 2024.

HAPACO GROUP JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF MANAGEMENT

Regarding the consolidated financial statements of the Company for the fiscal year ended on December 31, 2024

The Board of Management of Hapaco Group Joint Stock Company (hereinafter referred to as the “Company”) presents its statement together with the audited consolidated financial statements for the fiscal year ended on December 31, 2024.

RESPONSIBILITY OF THE BOARD OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management is responsible for preparing the consolidated financial statements of the Company which give a true and fair view of the consolidated financial position of the Company as at December 31, 2024, as well as the consolidated results of its operations and its consolidated cash flows for the fiscal year ended on December 31, 2024 in accordance with Vietnamese Accounting Standards, Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of consolidated financial statements.

In preparing these consolidated financial statements, the Company's Board of Management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State clearly whether the accounting standards applied to the Company have been complied with or not and all material deviations from these standards have been presented and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the 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 proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, Enterprise Accounting System and the relevant statutory requirements applicable to preparation and presentation of consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management approves the accompanying financial statements for the fiscal year ended on December 31, 2024 set out on pages 05 to 42. In the opinion of the Board of Management, these consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company as at December 31, 2024, and of the consolidated results of its operations and its consolidated cash flows for the fiscal year ended on December 31, 2024 in accordance with Vietnamese Accounting Standards, Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of consolidated financial statements.

Hai Phong, March 27, 2025

For and on behalf of the Board of Management,

Deputy General Director in charge
Vu Xuan Thuy

INDEPENDENT AUDITOR'S REPORT

*Regarding the consolidated financial statements of Hapaco Group Joint Stock Company
for the fiscal year ended on December 31, 2024*

**To: SHAREHOLDERS, BOARD OF DIRECTORS AND BOARD OF MANAGEMENT
HAPACO GROUP JOINT STOCK COMPANY**

We have audited the accompanying consolidated financial statements of Hapaco Group Joint Stock Company (hereinafter referred to as "the Company"), prepared on March 27, 2025 from pages 5 to 42, including the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the consolidated cash flow statement for the fiscal year ended on December 31, 2024 and the notes to the consolidated financial statements.

Responsibilities of the Board of Management

The Board of Management is responsible for honestly and reasonably preparing the Company's Financial Statements in accordance with the Vietnamese Accounting Standards, Enterprise Accounting System and legal provisions related to the preparation and presentation of the Financial Statements and is responsible for internal control determined by the Board of Management necessary to ensure that the preparation of the financial statements is free from material misstatement, whether due to fraud or mistake.

Responsibilities of auditors

Our responsibility is to express opinions on the consolidated Financial Statements based on the results of our audit. We conducted our audit in accordance with Vietnamese Auditing Standards. These standards require us to comply with ethical standards and regulations, to plan and perform the audit to obtain reasonable assurance as to whether the Company's consolidated Financial Statements have any material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and notes in the consolidated Financial Statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making the assessment of risks, the auditor considers the Company's internal control related to the fair preparation and presentation of the consolidated Financial Statements in order to design appropriate audit procedures with the actual situation, however, it is not intended to give an opinion on the effectiveness of the Company's internal control. The 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 consolidated Financial Statements.

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

Auditor's opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Hapaco Group Joint Stock Company as at December 31, 2024, as well as the consolidated results of its operations and its consolidated cash flows for the fiscal year ended on December 31, 2024, in accordance with Vietnamese Accounting Standards, Enterprise Accounting System and the relevant legal regulations on preparation and presentation of consolidated financial statements.

BDO AUDIT CO.,LTD

Bui Van Vuong - Deputy General Director

Auditing Practice Reg. Certificate No. 0780-2023-038-1

Nguyen Tuan Anh - Auditor

Auditing Practice Reg. Certificate No. 1906-2023-038-1

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED BALANCE SHEET

B01-DN/HN

As of December 31, 2024

ASSET		Code	Note	Unit: VND	
				Ending balance	Opening balance
A -	CURRENT ASSETS	100		390,489,477,580	777,385,166,190
I.	Cash and cash equivalents	110	V.1	17,297,445,823	11,187,241,877
1.	Cash	111		16,297,445,823	11,187,241,877
2.	Cash equivalents	112		1,000,000,000	-
II.	Short-term financial investment	120		30,600,000,000	15,076,041,096
1.	Trading securities	121		-	-
2.	Provision for impairment of trading securities	122		-	-
3.	Held to maturity investment	123	V.2.1	30,600,000,000	15,076,041,096
III.	Short-term receivables	130		245,926,894,181	651,613,661,899
1.	Short-term trade receivables	131	V.3	104,672,223,588	81,145,299,739
2.	Short-term advances to suppliers	132	V.4	2,016,278,951	1,320,267,500
3.	Short-term internal receivables	133		-	-
4.	Receivable according to construction contract progress plan	134		-	-
5.	Short-term loan receivable	135	V.2.2	79,000,000,000	292,335,000,000
6.	Other short-term receivables	136	V.5.1	262,775,452,003	392,007,627,156
7.	Provision for short-term doubtful receivables	137	V.6	(202,537,060,361)	(115,194,532,496)
8.	Pending assets	139		-	-
IV.	Inventory	140	V.7	81,611,740,987	86,327,263,272
1.	Inventory	141		82,209,748,683	86,927,265,345
2.	Provision for inventory discount	149		(598,007,696)	(600,002,073)
V.	Other current assets	150		15,053,396,588	13,180,958,046
1.	Short-term prepaid expenses	151	V.11.1	902,294,588	748,234,350
2.	Deductible value added tax	152		13,337,363,971	11,377,831,386
3.	Taxes and other amounts receivable from the State	153	V.16	813,738,029	1,054,892,310
4.	Government bond repurchase transaction	154		-	-
5.	Other current assets	155		-	-

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED BALANCE SHEET *(continued)*

As of December 31, 2024

B01-DN/HN

					Unit: VND
ASSET	Code	Note	Ending balance	Opening balance	
B - LONG-TERM ASSETS	200		1,823,396,964,604	497,871,620,922	
I. Long-term receivables	210		268,048,220,000	350,000,000	
1. Long-term loan receivable	215		268,918,500,000	-	
2. Other long-term receivables	216	V.5.2	129,720,000	350,000,000	
II. Fixed assets	220		383,613,238,441	31,700,932,252	
1. Tangible fixed assets	221	V.8	377,095,309,936	30,457,365,665	
<i>Original price</i>	222		823,723,084,934	276,793,339,669	
<i>Accumulated depreciation</i>	223		(446,627,774,998)	(246,335,974,004)	
2. Financial lease fixed assets	224	V.9	4,621,666,666	-	
<i>Original price</i>	225		4,700,000,000	-	
<i>Accumulated depreciation</i>	226		(78,333,334)	-	
3. Intangible fixed assets	227	V.10	1,896,261,839	1,243,566,587	
<i>Original price</i>	228		8,226,094,928	7,106,094,928	
<i>Accumulated depreciation</i>	229		(6,329,833,089)	(5,862,528,341)	
III. Investment real estate	230		-	-	
IV. Long-term unfinished assets	240		1,391,770,202	1,280,176,448	
1. Cost of basic construction in progress	242		1,391,770,202	1,280,176,448	
V. Long-term financial investment	250		55,849,999,999	459,263,949,524	
1. Investment in joint ventures and associates	252	V.2.3	46,000,000,000	439,436,579,524	
2. Investing in other entities	253	V.2.4	17,450,000,000	41,074,251,523	
3. Long-term financial investment reserve	254	V.2.4	(17,000,000,000)	(21,246,881,523)	
4. Held to maturity investment	255	V.2.1	9,400,000,000	-	
VI. Other long-term assets	260		537,493,735,963	5,276,562,698	
1. Long-term prepaid expenses	261	V.11.2	287,845,911,145	5,276,562,698	
2. Goodwill	269	V.12	285,647,824,818	-	
TOTAL ASSETS	270		1,673,886,442,184	1,275,256,787,112	

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED BALANCE SHEET *(continued)*

As of December 31, 2024

B01-DN/HN

CAPITAL SOURCES		Code	Note	Unit: VND	
				Ending balance	Opening balance
C -	LIABILITIES	300		226,453,118,041	71,058,599,255
I.	Short-term liabilities	310		130,773,924,209	71,043,599,255
1.	Short-term trade payables	311	V.13	15,928,857,419	12,361,010,314
2.	Short-term advances from buyers	312		1,982,451,336	5,516,440
3.	Taxes and other payments to the State	313	V.16	55,388,118,374	26,532,687,356
4.	Payable to workers	314		14,332,350,013	6,474,524,618
5.	Short-term payable expenses	315	V.14	3,371,959,326	1,301,824,608
6.	Other short-term payables	319	V.15	8,453,689,371	7,745,240,997
7.	Short-term loans and finance leases	320	V.17	29,784,103,448	14,873,400,000
8.	Bonus and welfare fund	322		1,532,394,922	1,749,394,922
II.	Long-term liabilities	330		95,679,193,832	15,000,000
1.	Other long-term payables	337	V.15	15,000,000	15,000,000
2.	Long-term loans and financial leases	338	V.17	20,445,720,677	-
3.	Deferred Corporate Income Tax payable	341		75,218,473,155	-
D -	OWNER'S EQUITY	400		1,447,433,324,143	1,204,198,187,857
I.	Equity	410	V.18	1,447,433,324,143	1,204,198,187,857
1.	Owner's equity	411		1,110,977,720,000	1,110,977,720,000
-	<i>Common shares with voting rights</i>	<i>411a</i>		<i>1,110,977,720,000</i>	<i>1,110,977,720,000</i>
-	<i>Preferred stock</i>	<i>411b</i>		-	-
2.	Share capital surplus	412		29,926,940,219	29,926,940,219
3.	Treasury stock	415		(4,464,450,000)	(4,464,450,000)
4.	Development investment fund	418		23,928,249,828	23,928,249,828
5.	Undistributed profit after tax	421		139,999,043,428	38,309,274,312
-	<i>Undistributed profit after tax accumulated to the end of previous period</i>	<i>421a</i>		<i>38,309,274,312</i>	<i>20,602,584,032</i>
-	<i>Undistributed profit for this period</i>	<i>421b</i>		<i>101,689,769,115</i>	<i>17,706,690,280</i>
6.	Non-controlling interest	429		147,065,820,668	5,520,453,497
II.	Other funding and funds	430		-	-
TOTAL CAPITAL		440		1,673,886,442,184	1,275,256,787,112

Established on March 27, 2025

Prepared by

Chief Accountant

Deputy General Director in charge

Hoang Phu Son

Hoang Phu Son

Vu Xuan Thuy

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED INCOME STATEMENT

As of December 31, 2024

B02-DN/HN

Unit: VND

NORMS		Code	Note	<u>This year</u>	<u>Last year</u>
1.	Sales and service revenue	01	VI.1	419,480,597,595	299,796,286,824
2.	Revenue deductions	02	VI.2	500,000	700,000
3.	Net revenue from sales and services	10		419,480,097,595	299,795,586,824
4.	Cost of goods sold	11	VI.3	364,447,555,627	258,508,789,317
5.	Gross profit from sales and service provision	20		55,032,541,968	41,286,797,507
6.	Financial revenue	21	VI.4	168,768,994,143	22,751,166,384
7.	Financial expenses	22	VI.5	(6,724,010,725)	(12,614,241,670)
	<i>Including: interest expense</i>	23		<i>2,571,320,103</i>	<i>1,219,786,237</i>
8.	Gain or loss in joint ventures and associates	24		(5,001,498,581)	9,030,928,904
9.	Cost of sales	25	VI.6	14,236,620,386	12,357,365,205
10.	Business management costs	26	VI.7	104,779,236,710	50,162,142,769
11.	Net operating profit	30		106,508,191,159	23,163,626,491
12.	Other income	31	VI.8	21,578,014,947	314,667
13.	Other costs	32	VI.9	23,020,317,589	1,531,207,972
14.	Other profits	40		(1,442,302,642)	(1,530,893,305)
15.	Total accounting profit before tax	50		105,065,888,516	21,632,733,186
16.	Current corporate income tax expense	51	VI.11	3,951,588,555	3,321,887,641
17.	Deferred corporate income tax expense	52		(700,998,190)	-
18.	Profit after corporate income tax	60		101,815,298,152	18,310,845,545
19.	Profit after tax of parent company	61		101,624,734,347	17,706,690,280
20.	Profit after tax of non-controlling shareholders	62		190,563,805	604,155,265
21.	Basic earnings per share	70	VI.12	916	160

Established on March 27, 2025

Prepared by

Chief Accountant

Deputy General Director in charge

Hoang Phu Son

Hoang Phu Son

Vu Xuan Thuy

**HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED CASH FLOW STATEMENT**

B03-DN/HN

As of December 31, 2024

(By indirect method)

NORMS	Code	Note	<u>This year</u>	<u>Last year</u>
I. Cash flow from operating activities				
1. Profit before tax	01		105,065,888,516	21,632,733,186
2. Adjustments for the following items:				
- Depreciation of fixed assets and allocation of goodwill	02		26,170,534,697	8,039,224,154
- Provisions	03		33,642,890,172	1,279,304,230
- Exchange rate gains and losses due to revaluation of foreign currency monetary items	04		(470,121,581)	(350,837,808)
- Gain and loss from investment activities	05		(161,213,981,174)	(30,112,116,148)
- Interest expense	06		2,571,320,103	1,219,786,237
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		5,766,530,733	1,708,093,851
- Increase, decrease in receivables	09		299,882,796,994	(24,075,541,169)
- Increase, decrease in inventory	10		8,022,386,872	17,079,057,301
- Increase, decrease in payables	11		(3,072,172,271)	(3,327,261,003)
- Increase, decrease in prepaid expenses	12		222,504,993,151	1,544,443,789
- Increase, decrease in trading securities	13		-	-
- Interest paid	14		(2,337,824,761)	(1,219,786,237)
- Corporate income tax paid	15		(4,279,413,753)	(4,785,454,932)
- Other income from operating activities	16		-	-
- Other operating expenses	17		(217,000,000)	(243,500,000)
Net cash flow from operating activities	20		526,270,296,966	(13,319,948,400)
II. Cash flow from investing activities				
1. Cash paid for the purchase and construction of fixed assets and other long-term assets	21		(6,829,503,685)	(3,469,242,283)
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		72,727,273	-
3. Money spent on lending and purchasing debt instruments of other entities	23		(474,918,500,000)	(478,811,041,096)
4. Proceeds from loans and resale of debt instruments of other entities	24		393,646,041,096	124,000,000,000
5. Money spent on investment in other entities	25		(464,369,397,991)	-
6. Proceeds from capital investment in other entities	26		24,221,712,500	267,800,000,000
7. Interest income, dividends and profits	27		11,928,967,160	40,560,772,533
Net cash flow from investing activities	30		(516,247,953,649)	(49,919,510,846)

HAPACO GROUP JOINT STOCK COMPANY
CONSOLIDATED CASH FLOW STATEMENT (Continued)

B03-DN/HN

As of December 31, 2024

(By indirect method)

Unit: VND

NORMS		Code	Note	<u>This year</u>	<u>Last year</u>
III. Cash flow from financing activities					
1.	Proceeds from issuing shares, receiving capital contributions from owners	31		-	-
2.	Money to return capital to owners, buy back shares issued by the enterprise	32		-	-
3.	Proceeds from borrowing	33		46,327,255,582	43,360,154,175
4.	Loan principal repayment	34		(50,112,783,900)	(50,549,732,878)
5.	Lease principal repayment	35		(152,168,475)	-
6.	Dividends, profits paid to owners	36		-	(55,468,907,500)
	Net cash flow from financing activities	40		<u>(3,937,696,793)</u>	<u>(62,658,486,203)</u>
	Net cash flow during the year	50		6,084,646,524	(125,897,945,449)
	Cash and cash equivalents at the beginning of the year	60	V.1	11,187,241,877	137,088,154,390
	Impact of foreign exchange rate changes on foreign currency conversion	61		25,557,421	(2,967,064)
	Cash and cash equivalents at the end of the year	70	V.1	<u>17,297,445,822</u>	<u>11,187,241,877</u>

Prepared by

Chief Accountant

Established on March 27, 2025

Deputy General Director in charge

Hoang Phu Son

Hoang Phu Son

Vu Xuan Thuy

HAPACO GROUP JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B09-DN/HN

For the fiscal year ended on December 31, 2024

I. NATURE OF BUSINESS OPERATIONS

1. Form of capital ownership

Hapaco Group Joint Stock Company was equitized from a State-owned enterprise in the form of: Transferring the entire value of the existing State capital at Hai Phong Paper Company and the existing State shares of Hai Phong Paper Company in Hai Au Joint Stock Company to Hapaco Joint Stock Company under Decision No.: 1912/QD/UB dated October 28, 1999 of People's Committee of Hai Phong City. Hapaco Group Joint Stock Company was renamed from Hapaco Joint Stock Company under Business Registration Certificate No. 0200371361 issued by Department of Planning and Investment of Hai Phong City for the 11th time on November 21, 2009. During its operation, the Company was granted Business Registration Certificate with the 14th change on August 12, 2024 by Department of Planning and Investment of Hai Phong City.

The shares of the Company have been listed on Ho Chi Minh City Stock Exchange. Stock code: HAP.

2. Business lines

The key business activities of the Company include:

- Production of pulp and paper of all kinds; printing of joss paper for import and export;
- Financial investment and securities trading;
- Hospital service business.

3. Normal operating cycle

The operating cycle of the Company is the period from the purchase of raw materials to enter the production process to the conversion into cash or assets that are easily convertible to cash, usually not exceeding 12 months.

4. Nature of business operations during the year affecting the Consolidated Financial Statements

In accordance with the assessment by the Board of Management of the Company, during the year, there were no events or activities significantly affecting the Consolidated Financial Statements.

5. Business structure

As at December 31, 2024, the Company has 6 subsidiaries and 1 associate, details as follows:

No.	Name of entities	Address	Main activities	Interest ratio	Voting right ratio
Subsidiaries:					
1	Hai Phong Paper Joint Stock Company	No. 441A, Ton Duc Thang, Hai Phong	Paper production	99.91%	99.91%
2	Hapaco Yen Son Company Limited	Nuoc Mat Village, Au Lau Commune, Yen Bai City, Yen Bai Province	Paper production	100.00%	100.00%
3	Hapaco Dong Bac Company Limited	Van Mai Commune, Mai Chau, Hoa Binh	Paper production	100.00%	100.00%
4	Hai Ha Joint Stock Company	Vinh Tuy, Bac Quang, Ha Giang	Paper production	61.54%	61.54%
5	Hai Phong Hapaco Paper Joint Stock Company (formerly Hapaco H.P.P Company Limited)	Dai Ban Commune, An Duong, Hai Phong	Paper production	99.89%	99.89%
6	Green International Hospital Joint Stock Company	No. 738, Nguyen Van Linh, Le Chan, Hai Phong	Hospital service business	84.81%	84.81%
Subsidiaries:					
1	Green – Hai Duong International General Hospital Joint Stock Company	No. 39 Pham Hong Thai Street, Quang Trung Ward, Hai Duong City	Hospital service business	46.00%	46.00%

6. Employees

The total number of employees of the parent Company and its subsidiaries as at December 31, 2024 was 859 people (563 people as at December 31, 2023).

7. Statement on comparability of information in the Consolidated Financial Statements

Comparative information is figures from the Consolidated Financial Statements 2023 audited by BDO Audit Services Company Limited.

II. FISCAL YEAR AND CURRENCY UNIT USED IN ACCOUNTING

1. Annual accounting period: Based on the calendar year, starting from January 1 and ending on December 31 of every year.

2. Currency unit used in accounting

The currency unit used in accounting is Vietnamese Dong (VND).

III. APPLIED ACCOUNTING STANDARDS AND REGIME**1. Applied accounting regime**

The Company applies the Vietnamese Enterprise Accounting Regime issued together with Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC dated March 26, 2016 and Circular No. 202/2014/TT-BTC of the Ministry of Finance issued on December 22, 2014 guiding the method of preparing and presenting the Consolidated Financial Statements.

The consolidated financial statements are prepared on the principles in accordance with Vietnamese Accounting Standards. The accompanying consolidated financial statements are not intended to present the consolidated financial position, the consolidated income statement and the consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2. Statement on Compliance with Accounting Standards and Regime

The Board of Management ensures that the consolidated financial statements have been prepared and presented in compliance with the requirements of Vietnamese Accounting Standards, the applicable Vietnamese Enterprise Accounting System and the relevant guidance documents on the preparation and presentation of the consolidated financial statements.

IV. KEY ACCOUNTING POLICIES

The principal accounting policies adopted by the Company in the preparation of these consolidated financial statements are shown below. The accounting policies adopted by the Company in the preparation of these consolidated financial statements are consistent with the accounting policies adopted in the preparation of the consolidated financial statements of the latest fiscal year.

1. Basis for consolidation of the Consolidated Financial Statements**Subsidiaries**

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date upon which the control commences until the date upon which the control ceases.

Non-controlling interest

Non-controlling interest is determined based on the ownership ratio of non-controlling shareholders in the net assets of the acquired entity at the date of acquisition.

The divestment by the Company in a subsidiary not resulting in a loss of control is recorded similarly to equity transactions. The difference between the value of change in ownership stake of Company and its subsidiaries in the net assets of subsidiaries and the proceeds or payments from the divestment by the subsidiaries is recorded in the retained earnings under owners' equity.

*For the fiscal year ended on December 31, 2024***Loss of control**

When the Company loses its control of a subsidiary, it derecognizes the assets and liabilities of such subsidiary, as well as the non-controlling interest and other components of owners' equity. The gain or loss resulting from this event is recognized in the consolidated income statement. After the divestment, the remaining interest in the former subsidiary (if any) is recognized at the remaining carrying amount of the investment in the separate financial statements, after having been adjusted proportionally for changes in owners' equity since the date of acquisition, if the Company and its subsidiaries still have significant influence in the investee, or is recorded at the historical cost of the remaining investment, if the influence is no longer significant.

Goodwill

Goodwill in the consolidated financial statements is the remaining difference between the cost of investment and the ownership stake of the investor in the fair value of identifiable net assets. Goodwill arising out of a business combination is initially recorded at the historical cost. After initial recognition, goodwill is measured at the historical cost less accumulated depreciation. Goodwill is amortized over its estimated useful life of 10 years.

Goodwill arising out of the acquisition of associates and jointly controlled establishments is included in the carrying amount of the associates and jointly controlled establishments. Goodwill arising out of the acquisition of subsidiaries is presented separately as another asset in the consolidated balance sheet.

When a subsidiary, associate or joint venture is sold, the remaining value of the unamortized goodwill is included in the gain / loss from the sale of the respective company.

Associates

Associates are entities in which the Company has significant influence, but not control, over their financial and operating policies. Associates are recognized using the equity method. The consolidated financial statements include the Company's share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Company, from the date upon which significant influence commences until the date upon which significant influence ceases. The carrying amount of investments recorded using the equity method is also adjusted for changes in the interest of the investor in the investee arising out of changes in the owners' equity of the investee that are not reflected in the income statement (such as revaluation of fixed assets, or exchange differences due to translation of financial statements, etc.).

When the Company's share of losses of an investee exceeds its interest in the investee recorded using the equity method, the carrying amount of the investment (including any long-term investments) is reduced to zero and the recognition of future losses is discontinued except to the extent that the Company has an obligation to pay or has paid on behalf of the investee.

Transactions eliminated in consolidation

Transactions, balances within the Company and its subsidiaries and unrealized income and expenses from internal transactions are eliminated in preparing the consolidated financial statements. Unrealized profits and losses arising out of transactions with associates are deducted from investments within the scope of interests the Company and its subsidiaries in the associates.

2. Types of exchange rates applied in accounting

Actual exchange rate at the time of transaction: used to convert into accounting currency for transactions recorded increases in: revenue, other income, production and business expenses, other expenses, assets, owners' equity, receivables, capital in cash, prepayments to sellers, payables, prepayments from buyers.

In case of selling goods or providing services related to pre-received revenue or pre-received money from the buyer: Revenue and income corresponding to the pre-received amount are applied the actual transaction exchange rate at the time of pre-receipt from the buyer.

In case of purchasing assets related to transactions of prepayments to the seller: The value of assets corresponding to the prepaid amount applies the actual transaction exchange rate at the time of prepayment to the seller.

Mobile weighted average book exchange rate: used to convert to the accounting currency on the credit side of cash accounts when making payments in foreign currency.

Exchange rate used for end-of-period revaluation:

For foreign currency-based monetary items classified as assets: The exchange rate applied for revaluation is the foreign currency buying rate of the Bank where the Company opens a foreign currency account. For foreign currency deposits at banks, the actual exchange rate when revaluating is the buying rate of the bank where the Company opens a foreign currency account.

For foreign currency items classified as liabilities: The exchange rate applied for revaluation is the foreign currency selling rate of the Bank where the Company opens a foreign currency account.

3. Principles of recognizing cash and cash equivalents

Cash and cash equivalents include: cash, demand deposits and term deposits (not exceeding 3 months), cash in transit and short-term investments with a recovery period of not more than 3 months from the date of investment, which can be easily converted into a certain amount of cash and have no risk of conversion into cash at the time of reporting. The determination of cash equivalents is ensured in accordance with the provisions of Vietnamese Accounting Standard No. 24 “Cash Flow Statement”.

4. Principles of accounting for financial investments

Held-to-maturity investments

Held-to-maturity investments are investments that the Board of Management has the intention and ability to hold until maturity.

Held-to-maturity investments are initially recorded at the historical cost. After initial recognition, if the held-to-maturity investments have not been provided for doubtful debts as prescribed, these investments are recorded at their recoverable amount. Any impairment in the value of the investment, if any, is recorded as financial expenses in the income statement.

Investments in other entities

Investments in equity instruments of other entities are initially recorded at the historical cost, including purchase price and directly attributable purchase costs. After initial recognition, these investments are measured at the historical cost less provision for diminution in value of investments. Provision for diminution in value of investments is made when the investee incurs a loss. Provision for diminution in value of investments is reversed when the investee subsequently generates profits to offset the losses for which provisions were previously made. A provision is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no provision had been recognized.

5. Principles of accounting for receivables

Receivables are amounts that can be recovered from customers or other entities. Receivables are presented at the book value less provisions for doubtful debts.

The classification of receivables as trade receivables and other receivables is carried out on the following principles:

- **Trade receivables:** Including receivables of a commercial nature arising out of purchase and sale transactions between the Company, its Subsidiaries and buyers who are not in the same group as the Company and its Subsidiaries.

- **Other receivables:** Including receivables of a non-commercial nature, not related to purchase and sale transactions (such as: receivables from loan interest; deposits; distributed dividends and profits; amounts paid on behalf of third parties who are entitled to receive back; amounts that the export consignee must collect on behalf of the consignor; receivables from lending assets; receivables from fines and compensation; shortage of assets awaiting resolution, ...).

Receivables are tracked in detail by original maturity, remaining maturity at the date of reporting, original currency and each entity. At the time of preparing the financial statements, receivables with a remaining collection period of no more than 12 months or one business cycle are classified as short-term receivables, while receivables with a remaining collection period of more than 12 months or more than one business cycle are recorded as long-term receivables.

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For the fiscal year ended on December 31, 2024

Provisions for doubtful debts represent the value of receivables that the Company expects to be uncollectible at the end of the fiscal period. Increases or decreases in the balance of provision item are recorded in the general & administration expenses of the year. Provisions for doubtful debts are made for each receivable, based on the time of overdue principal payment in accordance with the initial commitment (excluding debt extension between the parties), or the expected level of loss that may occur.

Receivables satisfying the definition of foreign currency-based monetary items: Revalued as at December 31, 2024 at the actual transaction exchange rate at the end of the period (see also Note IV.2).

6. Principles of recognizing inventory

Inventories are stated at the lower value among historical cost and net realizable value.

The historical cost of inventories is measured as follows:

- **Raw materials and goods:** including costs of purchase and other directly attributable costs incurred in bringing the inventories to their current location and condition.
- **Finished products:** including costs of raw materials, direct labor and directly attributable general production costs allocated based on normal operating capacity.
- **Work in progress:** including costs of main raw materials.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to consume them.

Inventory valuation method: weighted average and recognition using perpetual inventory method.

The Company makes provisions for devaluation of inventory due to obsolescence, damage, deterioration and in cases where the historical cost of inventories is higher than the net realizable value at the end of the fiscal year. Increases or decreases in the balance of the provision item are recorded in the cost of goods sold during the year.

7. Principles of accounting for tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is the total cost incurred by the Company to acquire the asset up to the time the asset is ready for use. The determination of the cost of tangible fixed assets for each case is applied in accordance with Vietnamese Accounting Standard No. 03 - Tangible fixed assets.

Expenses incurred after putting fixed assets into operation (upgrade, renovation, maintenance, repair costs, etc.) are recorded in production and business expenses in the year. In cases where it can be clearly demonstrated that these expenses have resulted in an increase in future economic benefits expected to be obtained from the use of tangible fixed assets beyond the originally assessed standard level of performance, these expenses are capitalized as an additional cost of tangible fixed assets.

When tangible fixed assets are sold or disposed of, their cost and accumulated depreciation are removed from the consolidated balance sheet. The difference between the proceeds from the disposal of the asset and the remaining value of the asset is recognized as profit or loss and presented in the consolidated statement of income of the Company.

Tangible fixed assets are depreciated using the straight-line method over their estimated shelf life. The estimated shelf life is classified by asset group as follows:

<u>Group of fixed assets</u>	<u>Number of years</u>
Building & Architectonic model	05 - 25 years
Equipment & machine	03 - 20 years
Transportation instrument	03 - 10 years
Instrument for management	03 - 07 years
Other fixed assets	02 - 09 years

8. Principles of accounting for intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation.

Land use rights

Land use rights include:

- Land use rights legally transferred; and
- Land use rights leased before the effective date of the Land Law (2003) for which the land rent has been paid for a lease term longer than 5 years and a Certificate of Land Use Rights has been issued by a competent authority.

The original cost of land use rights includes all costs directly related to obtaining the land use rights. Land use rights with a term are depreciated using the straight-line method over the effective period of the land use rights certificate. Land use rights with an indefinite term are not subject to depreciation.

Computer software

The cost of purchasing new computer software that is not an integral part of the related hardware is accounted for as intangible fixed assets. Computer software is amortized on a straight-line basis over 5 to 8 years.

9. Principles of accounting for financially leased fixed assets

Leases is classified as a financial lease if most of the risks and benefits attached to the ownership of the asset remain with the lessee. Financially leased fixed assets are stated at cost less accumulated depreciation. The cost of financially leased fixed assets is the lower of the fair value of the leased assets at the inception of the lease and the present value of the minimum lease payments. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or the interest rate stated in the contract. In cases where it is not possible to determine the interest rate implicit in the lease, the loan interest rate at the inception of the lease is used.

The original cost of financially leased fixed assets is recorded at the fair value of the leased assets/*or the present value of the minimum lease payment (in case the fair value is higher than the present value of the minimum lease payment)*(*) plus the initial direct costs incurred in connection with the financial lease activities. The minimum lease payment does not include the VAT payable to the lessor.

(*) *Interest rate applied to calculate the present value of the minimum lease payment for the lease of the assets: The lessee's marginal borrowing interest rate.*

Financially leased fixed assets are depreciated over the shelf life of the leased assets.

10. Principles of accounting for tax

a) Current corporate income tax

For normal business activities: Current income tax is the tax calculated based on taxable income and the corporate income tax rate in the current year (20%). Taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses as well as adjustments for non-taxable income and losses carried forward.

For socialized health care activities: The preferential tax rate of 10% throughout the operation period is applied to the income of enterprises from socialized activities in the fields of education - training, vocational training, health, culture, sports and environment, and judicial appraisal.

b) Deferred corporate income tax

Deferred corporate income tax is the corporate income tax payable or recoverable due to temporary differences between the carrying amount of assets and liabilities for the purpose of preparing the consolidated financial statements and the tax base. Deferred corporate income tax liabilities are recognized for all taxable temporary differences. Deferred corporate income tax assets are recognized only when it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

c) Other taxes

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

The Company's tax reports are subject to inspection by the tax authorities. Since the application of tax laws and regulations to different types of transactions is susceptible to varying interpretations, the tax amounts reported in the financial statements could change upon final determination by the tax authorities.

11. Principles of accounting for prepaid expenses

Prepaid expenses record actual expenses that have been incurred but are related to the business performance of many accounting periods.

Prepaid expenses mainly include the value of tools, equipment, repair costs, land rental fees, etc. and other expenses incurred during the Company's business operations and are considered to be able to bring future economic benefits to the Company. These expenses are allocated to the Consolidated Income Statement using the straight-line method, based on the Company's shelf life or estimated cost recovery period.

Tools and equipment

Tools and equipment include assets held by the Company for use in the normal course of business, with the original cost of each asset being less than 30 million VND and therefore not eligible for recognition as fixed assets according to current regulations. The cost of tools and equipment is allocated on a straight-line basis over a period of 2 to 3 years.

Major repair costs

Factory repair costs are allocated to expenses on a straight-line basis over a period not exceeding 03 years.

Land rental

Land rental with term is allocated to expenses on a straight-line basis over a period equal to the land use period recorded on the Certificate of Land Use Rights.

12. Principles of accounting for liabilities

Liabilities are presented at original cost. The classification of payables as trade payables and other payables is carried out according to the following principles:

- ***Payables to sellers:*** Including commercial payables arising from transactions of purchasing goods, services, and assets.
- ***Other payables:*** Including non-commercial payables, not related to transactions of purchasing, selling, and providing goods and services (such as: Payables for interest, dividends, and profits payable; payables paid by third parties; payables for social insurance, health insurance, unemployment insurance, labor union fees, etc.).

Payables are tracked in detail by original term, remaining term at the reporting date, by original currency, and by each entity. At the time of preparing the consolidated financial statements, payables with a remaining payment period of no more than 12 months or one business cycle are classified as short-term payables, payables with a remaining payment period of more than 12 months or more than one business cycle are recorded as long-term payables.

13. Principles of recognizing loans

Loans are tracked in detail by each subject, term, and currency. At the time of preparing the consolidated financial statements, loans due within 12 months or the next business cycle are classified as short-term loans, loans with a repayment period of more than 12 months or more than one business cycle are recorded as long-term loans.

Loans that meet the definition of foreign currency monetary items: Revalued at 31/12/2024 at the actual transaction exchange rate at the end of the period (*see also Note IV.2*).

14. Principles of recognizing borrowing costs

Borrowing costs include interest costs.

Borrowing costs are recorded as financial expenses in the year when incurred (except for cases of capitalization according to the provisions of Vietnamese Accounting Standard No. 16 "Borrowing costs").

15. Principles of recognizing payable expenses

Payable expenses include the value of expenses that have been included in the operating expenses of the year, but have not been actually paid at the end of the financial period on the basis of ensuring the principle of matching between revenue and expenses. Payable expenses are recorded based on reasonable estimates of the amount payable for goods and services used.

Basis for determining types of payable expenses

- *Payable for electricity, water, telephone, auditing fees*: Based on the payment notice of the service providers or the economic contract signed with the suppliers.

- *Payable for interest expenses*: Based on the loan principal, time, and interest rate specified in the contract.

16. Principles of recognizing equity

Owner's equity: Reflects the actual amount invested by shareholders.

Shareholders' equity is recorded at the actual price of shares issued, but is reflected in detail according to two indicators: owner's equity and capital surplus.

Common shares

Common shares are recorded at par value. The amount received in excess of the par value of the issued shares is recorded in capital surplus. Expenses directly related to the issuance of common shares, after deducting tax effects, are recorded as a deduction from capital surplus.

Repurchase and reissue of common shares (treasury shares)

Treasury shares are recorded for the repurchase of odd shares arising when issuing shares to pay dividends, or issuing shares from equity capital according to the approved issuance plan, or repurchasing odd shares at the request of shareholders. Fractional shares are shares representing the equity capital formed by merging fractional shares divided proportionally to investors. In all other cases, when repurchasing shares that were previously recorded as equity, the par value of the repurchased shares must be deducted from the equity capital. The difference between the par value of the repurchased shares and the payment value including directly related costs, minus taxes, is recorded in the capital surplus.

Principles of recording undistributed profits

Undistributed profits reflect the business results (profit, loss) after corporate income tax and the situation of profit distribution or loss handling of the Company. Undistributed profits are monitored in detail according to the business results of each financial period (previous period, current period), and at the same time monitored in detail according to each profit distribution content (fund allocation, supplementing the Owner's Investment Capital, distributing dividends, profits to shareholders, to investors).

17. Principles and methods of recognizing revenue**Revenue from selling semi-finished products**

Revenue from selling semi-finished products is recorded in the consolidated income statement when the significant risks and benefits of ownership of the goods have been transferred to the buyer. Revenue is not recorded if there are significant uncertainties regarding the recovery of the consideration due or the possible return of goods. Revenue from selling semi-finished products is recorded net amount after deducting sales discounts and rebates stated on the sale invoices.

Revenue from providing services

Revenue from providing services is recognised when the outcome of the transaction can be estimated reliably. When the outcome of the contract can be measured reliably, revenue is recognised by reference to the stage of completion of the work. Revenue is not recognised if there are significant uncertainties regarding the recovery of the receivables.

18. Principles of accounting for revenue deductions

Revenue deductions include: trade discounts. Revenue deductions arising in the same period of product, goods and service consumption are adjusted to reduce revenue of the period in which they arise.

In case products, goods and services have been consumed in previous periods, and revenue deductions arise in the following period, and this event occurs before the issuance of the Financial Statements: The Company records revenue reductions in the Financial Statements of the reporting period (previous period), according to the provisions of Vietnamese Accounting Standard No. 23 “Events arising after the end of the annual accounting period”.

In case products, goods and services have been consumed in previous periods, and revenue deductions arise after the issuance of the Financial Statements of the following period: The Company records revenue reductions in the arising period (next period).

19. Principles of recognizing income from financial activities**Interest income from deposits and loans**

Interest income from deposits and loans is recognized on a time-proportioned basis based on the principal balance and the applicable interest rate.

Interest from exchange rate differences

Income from exchange rate differences is recognized based on the difference in payment exchange rates and revaluation rates of foreign currency items.

Profit from liquidation of investments

Profit from liquidation of investments is recognized based on the difference between the selling price and the original cost of the initial investments.

20. Principles of accounting for cost of goods sold

Cost of goods sold is recorded according to the principle of matching with revenue.

To ensure the principle of prudence, costs exceeding the normal level of inventories are recorded immediately in the expenses of the year (after deducting compensation, if any), including: direct costs of raw materials consumed above the normal level, labor costs, fixed general production costs not allocated to the value of products in stock, inventory loss, etc.

The decrease in cost of goods sold during the year is the reversal of inventory price reduction provisions.

21. Principles of accounting for financial expenses

Financial expenses include expenses or losses related to financial investment activities, interest expenses, and exchange rate losses. Interest expenses (including prepaid amounts) and exchange rate losses of the reporting period are fully recorded in the year.

22. Principles of accounting for selling costs and business management costs

Selling costs: Selling costs include actual costs incurred in the process of selling products, goods, and providing services, including salary costs for sales staff (salaries, allowances, etc.); social insurance, health insurance, union fees, unemployment insurance for sales staff; costs of raw materials, tools, depreciation of fixed assets for sales; product advertising costs, promotional costs, preservation, packaging, and transportation costs.

Business management costs: Business management costs include salary costs for employees in the business management department (salaries, wages, allowances, etc.); social insurance, health insurance, union fees, unemployment insurance for business management staff; costs of office materials, labor tools, depreciation of fixed assets used for business management; Land rent, business license tax; provision for bad debts; outsourced services (electricity, water, telephone, fax, etc.); other cash expenses (reception, customer conferences, etc.).

Selling costs and business management costs do not incur any reductions during the year.

23. Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company (after deducting the amount appropriated to the bonus and welfare fund and the operating fund of the Board of Directors and the Board of Supervisors for the reporting period) by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, taking into account the effects of all potential ordinary shares, which comprise convertible bonds and share options.

24. Segment reporting

Segment reporting is a part of consolidated financial statements, segment reporting provides information about the types of products and services in different geographical areas, called segment information.

Business segment is a distinguishable component that is engaged in providing products and services and that is subject to risks and returns that are different from those of other business segments.

Geographical segment is a distinguishable component that is engaged in providing products and services within a particular economic environment and that is subject to risks and returns that are different from those of segments operating in other economic environments.

Segment reporting is presented in Note VII.3.

25. Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or in which the Company and its subsidiaries and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be related party.

In considering the relationship with related parties, attention is paid to the nature of the relationship rather than the legal form.

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

26. Other transactions during the year

During the year, the Company has invested an additional 32% of its ownership in Green International Hospital Joint Stock Company and the Company's subsidiary (Hai Phong Paper Joint Stock Company, the Company directly owns 99.91% of the interests) has invested an additional 2.98% of its ownership in Green International Hospital Joint Stock Company, resulting in the Company's voting rights at this Company increasing from 49.5% to 84.82%, resulting in Green International Hospital Joint Stock Company (hereinafter referred to as Green) becoming the direct subsidiary of the Company. Financial income and Goodwill arising from this business consolidation transaction are as follows:

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN/HN**

For the fiscal year ended on December 31, 2024

Gain arising from the business consolidation transaction:

	Value
Investment before Green becomes the direct subsidiary	442,173,116,090
Number of shares corresponding to the date of becoming the associate company	29,700,000
Company's interest rate in net assets when becoming the associate company	49.50%
Cost of investment revalued at fair value at the date of becoming the subsidiary	594,000,000,000
Part recorded under the equity method accumulated to August 31, 2024	(7,738,035,147)
Difference in fair value greater than the equity method investment value of the investment in the subsidiary (Note VI.4)	159,564,919,057

Goodwill arising from the business consolidation transaction:

	Value
Fair value of Green International Hospital Joint Stock Company	953,448,278,911
Of which:	
<i>Net asset value</i>	<i>561,545,312,976</i>
<i>Difference in revaluation of tangible fixed assets</i>	<i>124,347,715,161</i>
<i>Difference in revaluation of land lease rights</i>	<i>267,555,250,775</i>
Rate of the Company's interest in the net assets of the acquired party	84.81%
Consolidated net assets	808,658,613,713
Cost of business consolidation (based on the deducted value of the parent company's share of the benefit)	1,017,800,000,000
ferred corporate income tax payable from increased asset valuation	75,919,471,345
Goodwill arising from the business consolidation (Note V.12)	295,497,749,812

V. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	Ending balance	Opening balance
Cash	1,663,677,648	903,988,931
Bank deposits	14,633,768,175	10,283,252,946
Total	16,297,445,823	11,187,241,877
Cash equivalents (*)	1,000,000,000	-
Total cash and cash equivalents	17,297,445,823	11,187,241,877

(*) Cash equivalents are term deposits at Saigon Thuong Tin Commercial Joint Stock Bank - Lac Vien Transaction Office, term of 3 days with interest rate of 0.1%/year.

2. Financial investments

	Ending balance	Opening balance
Short-term held-to-maturity investments	30,600,000,000	15,076,041,096
Bank deposits with remaining term of less than 12 months (*)	30,600,000,000	15,076,041,096
Long-term held-to-maturity investments	9,400,000,000	-
Bank deposits with remaining term of more than 12 months (*)	9,400,000,000	-
Total	40,000,000,000	15,076,041,096

(*) Term deposits with terms of more than 3 months at Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch with interest rates from 5.45%/year to 6.5%/year. Term deposits at Hai Phong Paper Joint Stock Company with an amount of 15,000,000,000 VND are being used as collateral for a loan at Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch under credit limit contract No. 202126060107-2024 signed on May 22, 2024.

HAPACO GROUP JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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For the fiscal year ended on December 31, 2024

2.2. Loan receivables

a) Short-term loan receivables

	Ending balance		Opening balance	
	Value	Provision	Value	Provision
Loans to related parties	79,000,000,000	25,000,000,000	25,000,000,000	7,500,000,000
Ha Noi - Hapaco Trading And Import Export Company Limited	25,000,000,000	25,000,000,000	25,000,000,000	7,500,000,000
Mr. Vu Duong Hien (1)	37,500,000,000	-	-	-
Mr. Vu Xuan Cuong (2)	16,500,000,000	-	-	-
Loans to other parties	-	-	267,335,000,000	-
Individuals	-	-	267,335,000,000	-
Total	79,000,000,000	25,000,000,000	292,335,000,000	7,500,000,000

(2) Lending under Loan Agreement No. 02/2024/HD-GREEN dated December 18, 2024 with a term of 14 days with an interest rate of 0.2%/year.

(3) Lending under Loan Agreement No. 03/2024/HD-GREEN dated December 18, 2024 with a term of 14 days with an interest rate of 0.2%/year.

b) Long-term loan receivables

	Ending balance		Opening balance	
	Value	Provision	Value	Provision
Loans to related parties				
Green International Hospital Joint Stock Company - Hai Duong (1)	268,918,500,000	-	-	-
Loans to other parties	-	-	-	-
Total	268,918,500,000	-	-	-

(1) Loan under Loan Agreement No. 01/2024/HD-GREEN dated August 15, 2024 with a term of 18 months.

2.3 Investment in joint ventures and associates

	Ending balance			Opening balance		
	Historical cost	Profit/(loss) from associated companies	Equity method value	Historical cost	Profit/(loss) from associated companies	Equity method value
Green International Hospital Joint Stock Company	-	-	-	442,173,116,090	(2,736,536,566)	439,436,579,524
Green International Hospital Joint Stock Company - Hai Duong	46,000,000,000	-	46,000,000,000	-	-	-
Total	46,000,000,000	-	46,000,000,000	442,173,116,090	(2,736,536,566)	439,436,579,524

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***2.4. Investment in other entities**

	Ending balance		Opening balance	
	Historical cost	Provision	Historical cost	Provision
Hai Phong Securities Joint Stock Company	-	-	23,624,251,523	(4,246,881,523)
Hanfinco Investment Joint Stock Company	15,000,000,000	(15,000,000,000)	15,000,000,000	(15,000,000,000)
Tien Sa Oriental Medicine Joint Stock Company	2,000,000,000	(2,000,000,000)	2,000,000,000	(2,000,000,000)
An Binh Joint Stock Company	450,000,000	-	450,000,000	-
Total	17,450,000,000	(17,000,000,000)	41,074.251.523	(21,246,881,523)

3. Short-term receivables from customers

	Ending balance	Opening balance
Receivables from related parties	21,185,011,620	13,798,766,304
Vida Hai Phong Co., Ltd.	922,559,544	377,092,584
Green International Hospital Joint Stock Company	-	18,854,000
Hai Duong Paper Tube Packaging Joint Stock Company	20,262,452,076	13,402,819,720
Receivables from other customers	83,487,211,968	67,346,533,435
Houh Yow Enterprise Company	25,189,130,070	25,482,634,340
Hapaco Textile Joint Stock Company	12,257,402,677	12,257,402,677
Tri Viet Technology Joint Stock Company	3,415,437,360	918,216,000
Xuzhou Shuangxing Alumium Industry Co., Ltd.	7,697,822,657	7,306,485,447
Vietnam Lee & Man Paper Manufacturing Ltd	4,949,423,696	972,416,016
Vietnam Red Star Industry Company Limited	-	3,957,433,978
Other entities	29,977,995,508	16,451,944,977
Total	104,672,223,588	81,145,299,739
Provision for doubtful debts		
	Current year	Previous year
Opening balance	15,444,240,216	15,444,240,216
Additional provision during the year	26,363,147,508	-
Reversal of provision during the year	-	-
Closing balance	41,807,387,724	15,444,240,216

4. Short-term prepayments to suppliers

	Ending balance	Opening balance
Prepayments to other suppliers	2,016,278,951	1,320,267,500
Bien Dong Technical Technology And Contruction Joint Stock Company	-	900,000,000
Hoang Mai Steel Structure Construction Joint Stock Company	600,000,000	-
Phuc Binh Construction and Consulting Company Limited	500,000,000	-
Environmental Consulting and Communication Center	240,000,000	240,000,000
Tan Tien Mechanical Services And Trading Co.,Ltd	407,733,347	-
Other suppliers	268,545,604	180,267,500
Prepayments to related party sellers	2,016,278,951	-
Total	2,016,278,951	1,320,267,500

HAPACO GROUP JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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For the fiscal year ended on December 31, 2024

5. Other receivables

5.1. Other short-term receivables

	Ending balance		Opening balance	
	Value	Provision	Value	Provision
Receivables from related parties	71,116,547,212	61,973,893,612	233,626,233,283	8,798,892,782
Vida Hai Phong Company Limited	11,860,114,039	11,860,114,039	9,135,875,000	8,135,875,000
Green International Hospital Joint Stock Company	-	-	94,781,803,901	-
Authorization to deposit savings for Mr. Vu Duong Hien	9,000,000,000	-	128,900,000,000	-
Ha Noi - Hapaco Trading And Import Export Company Limited	663,017,782	663,017,782	663,017,782	663,017,782
Hanfinco Investment Joint Stock Company	49,450,761,791	49,450,761,791	-	-
Green International General Hospital Joint Stock Company - Hai Duong	-	-	-	-
Hapaco Tourism Service And Labour Export Limited Company	142,653,600	-	145,536,600	-
Receivables from other organizations and individuals	191,658,904,791	81,453,601,682	158,381,393,873	83,451,399,498
Advancements	326,038,180	-	4,198,000,000	-
Short-term deposits and bets	596,810,000	-	246,810,000	-
Advancements for the Group's Representative Office to implement the Vietnam - Korea Hospital project	8,397,819,000	8,397,819,000	8,397,819,000	8,397,819,000
Interests from deposit and loan contracts	339,760,274	-	6,288,354,986	-
Hapaco Textile Joint Stock Company	49,141,080,282	49,141,080,282	45,008,909,422	45,008,909,422
Mr. Do Ngoc Duc	19,050,000,000	-	-	-
Mr. Khong Van Oanh	19,050,000,000	-	-	-
Ms. Do Thi Lan Huong	19,050,000,000	-	-	-
Mr. Vu Dinh Trong	-	-	38,260,000,000	-
Mr. Nguyen Tuan Anh - Investment trust	45,450,000,000	13,790,395,409	45,450,000,000	19,920,364,085
Mr. Hoang Van Vinh - Advances for individuals to implement the Company's works	9,471,400,000	9,471,400,000	9,471,400,000	9,471,400,000
Other entities	20,785,997,055	652,906,991	1,060,100,465	652,906,991
Total	262,775,452,003	143,427,495,294	392,007,627,156	92,250,292,280

5.2. Other long-term receivables

	Ending balance	Opening balance
Other receivables from other entities	129,720,000	350,000,000
Yen Bai Provincial Credit Fund	-	350,000,000
Financial loan contract deposit	129,720,000	-
Other receivables from related parties	-	-
Total	129,720,000	350,000,000

5.3. Provision for doubtful debts

	Ending balance	Opening balance
Opening balance	92,250,292,280	89,556,174,964
Additional provision during the year	61,862,380,781	2,694,117,316
Reversal of provision during the year	10,685,177,767	-
Ending balance	143,427,495,294	92,250,292,280

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***6. Bad debts****6.1. Receivables, loans that are overdue, or not overdue but unlikely to be recovered**

	Ending balance		Opening balance	
	Value	Recoverable value	Value	Recoverable value
Hapaco Textile Joint Stock Company	61,398,482,959	-	57,266,312,099	-
Dai Thien Phu Trading and Service Company Limited	1,034,216,620	-	1,034,216,620	-
Ha Noi - Hapaco Trading And Import Export Company Limited	25,663,017,782	-	25,663,017,782	17,500,000,000
Mr. Hoang Van Vinh	9,471,400,000	-	9,471,400,000	-
Vida Hai Phong Company Limited	11,860,114,039	-	9,135,875,000	1,000,000,000
Mr. Nguyen Tuan Anh	45,450,000,000	31,659,604,591	45,450,000,000	25,529,635,915
Mr. Bui Doan Nhan - Advance payment for individuals implementing works for the Company	8,397,819,000	-	8,397,819,000	-
Hanfinco Investment Joint Stock Company	49,450,761,791	-	-	-
Houh Yow Enterprise Company	25,189,130,070	7,953,755,421	-	-
Other entities	4,235,478,112	-	2,805,527,910	-
Total	242,150,420,373	39,613,360,012	159,224,168,411	44,029,635,915

7. Inventory

	Ending balance		Opening balance	
	Value	Provision	Value	Provision
Raw materials, materials	40,242,801,880	(234,180,669)	39,840,160,229	(236,175,046)
Tools, equipment	2,245,836,404	-	1,391,857,961	-
Work in progress	6,026,665,514	-	6,208,034,028	-
Finished products	28,532,636,735	(363,827,027)	35,954,705,942	(363,827,027)
Goods	3,100,861,200	-	-	-
Goods sent for sale	2,060,946,950	-	3,532,507,185	-
Total	82,209,748,683	(234,180,669)	86,927,265,345	(600,002,073)

Details of increase and decrease in inventory deflation provision:

	Current year balance	Previous year balance
Provision for inventory deflation at the beginning of the year	(600,002,073)	(601,224,959)
Plus: Provision made during the year	-	-
Minus: Use and reversal of provision during the year	1,994,377	1,222,886
Provision for inventory deflation at the end of the year	(598,007,696)	(600,002,073)

HAPACO GROUP JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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For the fiscal year ended on December 31, 2024

8. Increase, decrease in tangible fixed assets

	Houses, structures	Machinery and equipment	Means of transport, transmission	Management equipment and tools	Other tangible fixed assets	Total
HISTORICAL COST						
Opening balance	105,884,873,223	155,191,901,991	14,620,348,699	240,194,000	856,021,756	276,793,339,669
Purchases during the year	1,329,000,000	2,394,400,000	-	-	-	3,723,400,000
Increase due to business consolidation	317,242,342,418	59,833,741,276	4,088,820,000	1,889,426,052	-	383,054,329,746
Increase due to asset revaluation	126,534,746,796	32,682,111,725	589,722,222	899,324,080	-	159,714,904,823
Investment in capital construction	608,487,681	-	-	-	174,378,166	782,865,847
Reclassification	-	(498,769,299)	498,769,299	-	-	-
Disposal, transfer	-	(345,755,151)	-	-	-	(345,755,151)
Ending balance	551,608,450,118	248,257,630,542	19,797,660,220	3,028,944,132	1,030,399,922	823,723,084,934
ACCUMULATED DEPRECIATION						
Opening balance	89,868,761,929	146,964,407,470	8,724,782,460	240,194,000	537,828,145	246,335,974,004
Depreciation during the year	7,796,770,918	4,467,656,603	1,302,548,062	8,459,524	76,725,695	13,652,160,802
Increase due to business consolidation	129,260,763,115	53,618,556,878	346,713,958	1,599,217,241	-	184,825,251,192
Increase due to asset revaluation	767,548,670	1,304,063,002	56,000,000	32,532,480	-	2,160,144,152
Reclassification	(405,621,714)	(723,378,286)	1,129,000,000	-	-	-
Disposal, transfer	-	(345,755,151)	-	-	-	(345,755,151)
Ending balance	227,288,222,918	205,285,550,516	11,559,044,480	1,880,403,244	614,553,840	446,627,774,998
REMAINING VALUE						
Opening balance	16,016,111,294	8,227,494,521	5,895,566,239	-	318,193,611	30,457,365,665
Ending balance	324,320,227,201	42,972,080,026	8,238,615,740	1,148,540,888	415,846,082	377,095,309,936

The historical cost of the fully depreciated tangible fixed assets still in use as at December 31, 2024 is **259,115,153,378 VND** (as at 31 December 2023 is **206,451,971,427 VND**).

The remaining value of the tangible fixed assets mortgaged at the bank to secure the Company's loan as at December 31, 2024 is 0 VND (as at December 31, 2023 is 0 VND).

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***9. Increase/decrease in leased fixed assets**

	Machinery and equipment	Management software	Total
Historical cost			
Opening balance			
Leasing during the year	4,700,000,000	-	4,700,000,000
Buying back leased fixed assets	-	-	-
Returning leased fixed assets	-	-	-
Ending balance	4,700,000,000	-	4,700,000,000
Accumulated depreciation			
Opening balance			
Depreciation during the year	78,333,334	-	78,333,334
Buying back leased fixed assets	-	-	-
Returning leased fixed assets	-	-	-
Ending balance	78,333,334	-	78,333,334
Remaining value			
Opening balance	-	-	-
Ending balance	4,621,666,666	-	4,621,666,666

The Company leases machinery and equipment, specifically a 32-slice Micro-CT system manufactured by SIEMENS, originating from China.

Under Finance Lease Agreement No. 30.0424/HDCTTC-GR, signed on April 28, 2024, with a lease term of 60 months, the Company has the option to purchase the machinery and equipment at the end of the lease term for a residual value of 5,000,000 VND.

Commitments related to future lease payments under the finance lease agreement are disclosed in Note V.17.

Additional lease expenses recognized as costs for the year: The total lease payment for 60 months is 3,372,720,000 VND, as specified in the finance lease agreement.

10. Increase, decrease in intangible fixed assets

	Land use right	Other intangible fixed assets	Total
Historical cost			
Opening balance	5,845,229,650	1.260.865.278	7,106,094,928
Purchase during year	-	-	-
Increase due to business consolidation	-	1.120.000.000	1,120,000,000
Ending balance	5,845,229,650	2.380.865.278	8,226,094,928
Depreciation value			
Beginning balance	4,822,314,544	1.040.213.797	5,862,528,341
Depreciation during year	292,261,488	137.709.927	429,971,415
Increase due to business consolidation	-	37,333,333	37,333,333
Ending balance	5,114,576,032	1.215.257.057	6,329,833,089
Remaining value			
Opening balance	1,022,915,106	220.651.481	1,243,566,587
Ending balance	730,653,618	1.165.608.221	1,896,261,839

The historical cost of the fully depreciated intangible asset still in use as of December 31, 2024 is 0 VND (as of December 31, 2023 is 0 VND).

The remaining value of the intangible asset mortgaged at the bank to secure the Company's loan as of December 31, 2024 is 0 VND(as of December 31, 2023 is 0 VND).

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN/HN**

For the fiscal year ended on December 31, 2024

11. Prepaid expenses**11.1 Short-term prepaid expenses**

	Ending balance	Opening balance
Tools and equipment issued for use	453,684,038	391,164,166
Repair expenses	419,728,518	321,151,578
Other expenses	28,882,031	35,918,606
Total	902,294,587	748,234,350

11.2. Long-term prepaid expenses

	Ending balance	Opening balance
Tools and equipment issued for use	1,034,533,978	767,033,837
Repair expenses	986,505,435	1,235,361,578
Other expenses	3,109,592,437	3,185,522,497
Land lease in Yen Bai (*)	282,506,191,488	-
Benefits from land lease in Hai Phong (**)	209,087,807	88,644,787
Total	287,845,911,145	5,276,562,698

(*) Prepaid land rent for an area of 6,841.3 m2 in Quarter 1, Co Phuc Town, Tran Yen District, Yen Bai Province according to Land Use Right No. CL589013 issued on November 27, 2027. The land use right is being mortgaged for a loan from Joint stock Commercial Bank for Investment and Development of Viet Nam of Hapaco Yen Son Company Limited according to Land Use Right Mortgage Contract No. 01/2018/783193/HDBD dated January 25, 2018 and the minutes of valuation of mortgaged assets dated June 6, 2023. Details in Note No. V.17.

(**) The value of land lease benefits from the right to use the land lot at 738 Nguyen Van Linh Street, Niem Nghia Ward, Le Chan District, Hai Phong City with an area of 11,460.1 m2 and a remaining usage period of 55.083 years of Green International Hospital Joint Stock Company. However, currently the land use right certificate with a term under the name of Hapaco Group Joint Stock Company, Green International Hospital Joint Stock Company is in the process of transferring ownership.

12. Commercial advantage

	Green International Hospital Joint Stock Company	Total
Historical cost		
Opening balance	-	-
Increase during the year	295,497,749,812	209,141,386,287
Decrease during the year	-	-
Ending balance	209,141,386,287	209,141,386,287
Depreciation value		
Opening balance	-	-
Increase during the year	9,849,924,994	9,849,924,994
Decrease during the year	-	-
Ending balance	9,849,924,994	9,849,924,994
Remaining value		
Opening balance	-	-
Ending balance	285,647,824,818	285,647,824,818

HAPACO GROUP JOINT STOCK COMPANY

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For the fiscal year ended on December 31, 2024

13. Short-term payables to suppliers

	Historical cost/Repayable amount at the end of the year	Historical cost/Repayable amount at the beginning of the year
Payables to other suppliers	15,928,857,419	12,361,010,314
Vinaconex No 15 Joint Stock Company	1,294,044,600	1,294,044,600
Thanh Phat Chemical Company Limited	1,497,360,276	534,091,536
Tan Tien Trading, Service and Transport Company Limited	458,175,275	603,239,913
Viet Thang Company Limited	1,199,990,376	907,386,888
Mr. Ngo Van Cuong	2,145,433,925	2,684,488,100
Other suppliers	9,333,852,967	6,337,759,277
Payables to related party suppliers	-	-
Total	15,928,857,419	12,361,010,314

14. Short-term payable expenses

	Ending balance	Opening balance
Interest expense payable	233,495,342	-
Auditing expenses	390,000,000	325,000,000
Electricity expenses	597,133,057	666,124,304
Competition rewards	1,866,500,000	-
Transportation fees	205,050,000	-
Other short-term payable expenses	79,780,927	310,700,304
Total	3,371,959,326	1,301,824,608

15. Other short-term payables

Other short-term payables

	Ending balance	Opening balance
<i>Payables to related parties</i>	16,925,000	4,997,315,000
Hai Phong Securities Joint Stock Company	-	4,981,500,000
Vu Duong Hien	6,294,000	5,884,000
Vu Xuan Thuy	5,303,000	4,953,000
Vu Xuan Thinh	5,328,000	4,978,000
<i>Payables to other entities and individuals</i>	8,436,764,371	2,747,925,997
Union funds	670,246,180	258,872,214
Social insurance	329,869,760	30,865,200
Health insurance	59,792,799	5,446,800
Unemployment insurance and occupational accident and disease insurance	25,431,638	1,520,800
Receiving short-term deposits and bets	8,000,000	-
Hai Phong Securities Joint Stock Company	4,831,500,000	-
Operating expenses of the Board of Directors and the Board of Supervisors	677,101,800	536,101,800
Other short-term payables	1,834,822,194	1,915,119,183
Total	8,453,689,371	7,745,240,997

Other long-term payables

	Ending balance	Opening balance
<i>Payables to related parties</i>	-	-
<i>Payables to other entities and individuals</i>	15,000,000	15,000,000
Receiving long-term deposits and bets	15,000,000	15,000,000
Total	15,000,000	15,000,000

HAPACO GROUP JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the fiscal year ended on December 31, 2024

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16. Taxes and receivables, payable to the State

	Opening balance	Increase due to business consolidation	Payable during the year	Số đã bù trừ/ thực nộp trong năm	Decrease due to business consolidation	Ending balance
a. Payables						
Value added tax	2,153,435,981	3,332,483	10,048,130,195	10,131,823,671	-	2,073,074,988
Export and import tax	-	-	35,837,068	35,837,068	-	-
Corporate income tax	21,616,933,748	4,938,173,909	1,217,480,404	1,879,413,753.	-	25,893,174,308
Personal income tax	2,758,714,673	219,333,111	1,668,666,894	4,288,100,401	-	358,614,277
Resource tax	3,602,954	-	47,816,469	42,571,657	-	8,847,766
Real estate tax and land rent	-	11,728,444,215	3,203,288,075	14,696,462,370	-	235,269,920
Business license tax	-	-	20,000,000	20,000,000	-	-
Other taxes	-	-	57,724,213	57,724,213	-	-
Fees, charges, other payables	-	10,376,723,936	16,705,214,630	262,801,450	-	26,819,137,116
Total	26,532,687,356	27,266,007,654	33,004,157,948	31,414,734,583	-	55,388,118,375
b. Receivables						
VAT on domestic sales	-	-	-	92,994,870	-	92,994,870
Corporate income tax	1,051,191,122	-	2,734,108,151	2,400,000,000	-	717,082,971
Personal income tax	41,000	-	41,000	-	-	-
Other taxes, charges, charges, other payables	3,660,188	-	5,582,236	5,582,236	-	3,660,188
Total	1,054,892,310	-	2,739,731,387	2,498,577,106	-	813,738,029

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***17. Loans and finance lease liabilities****Short-term loans and finance lease liabilities**

		Opening balance	Amount arising during the year		Ending balance
		Value and repayable amount	Increase	Decrease	Value and repayable amount
Short-term loans from third parties		14,873,400,000	47,255,655,823	44,664,952,375	17,464,103,448
Loans from other organizations and individuals		14,873,400,000	44,508,656,500	43,596,043,900	15,786,012,600
Joint Stock Commercial Bank for Investment and Development of Vietnam - Yen Bai Branch - Loan from Hapaco Yen Son Company Limited	(1)	1,800,000,000	14,689,526,536	15,589,526,536	900,000,000
Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch - Loan from Hai Phong Paper Joint Stock Company	(2)	13,073,400,000	29,819,129,964	28,006,517,364	14,886,012,600
Long-term loans due		-	2,746,999,323	1,068,908,475	1,678,090,848
Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch - Loan from Hai Ha Joint Stock Company	(3)	-	1,916,820,000	916,740,000	1,000,080,000
Asia Commercial Bank Leasing Company Limited - Hanoi Branch - Lease of financial assets of Green International Hospital Joint Stock Company	(4)	-	830,179,323	152,168,475	678.010.848
Short-term loans from related parties		-	26,880,000,000	44,664,952,375	12,320,000,000
Long-term loans due of Mr. Vu Duong Hien - Loan from Green International Hospital Joint Stock Company	(5)	-	26,880,000,000	43,596,043,900	12,320,000,000
Total		14,873,400,000	74,135,655,823	59,224,952,375	29,784,103,448

(1) Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam under credit limit contract No. 01/2024/783193/HDTD dated June 20, 2024. Interest is calculated according to each debt receipt. The loan is secured under land use right mortgage contract No. 01/2018/783193/HDBD dated January 25, 2018 and Toyota car with license plate No. 21H-5738 under asset mortgage contract No. 01/2011/HD dated August 1, 2011.

(2) Loan from Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch under credit limit contract No. 202126060107-2024 signed on May 22, 2024. Interest is specified in each specific credit document. The collateral is the term deposit at Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch according to deposit contracts No. 030090512559/EA122159 dated August 24, 2023 with a value of 9,400,000,000 VND, deposit contract No. 030088241238/EA122029 dated March 22, 2023 with a value of 3,600,000,000 VND, deposit contract No. 030080836984/EA105141 dated December 28, 2021 with a value of 1,076,041,096 VND, deposit contract No. 030084176091/EA115929 dated August 1, 2022 with a value of 1,000,000,000 VND as Note V.2.

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***Long-term loans and finance lease liabilities**

		Opening balance	Amount arising during the year		Ending balance
		Value and repayable amount	Increase	Decrease	Value and repayable amount
Long-term loans from third parties			5,372,720,000	2,746,999,323	2,625,720,677
Saigon Thuong Tin Commercial Joint Stock Bank - Hai Phong Branch - Loan from Hai Ha Joint Stock Company	(3)	-	2,000,000,000	1,916,820,000	83,180,000
Asia Commercial Bank Leasing Company Limited - Hanoi Branch - Lease of financial assets of Green International Hospital Joint Stock Company	(4)	-	3,372,720,000	830,179,323	2,542,540,677
Long-term loans from related parties		-	31,260,000,000	13,440,000,000	17,820,000,000
Mr. Vu Duong Hien - loan from Green International Hospital Joint Stock Company	(59)	-	31,260,000,000	13,440,000,000	17,820,000,000
Total		-	36,632,720,000	16,186,999,323	20,445,720,677

(3) Unsecured Loan from Saigon Thuong Tin Commercial Joint Stock Bank under Loan Agreement No. 202327327316, dated January 23, 2024, with a loan amount of 2,000,000,000 VND and a loan term of 24 months from the disbursement date. The interest rate is 9.5% for the first 6 months, 9.8% for the next 6 months, and from the 13th month onward, the interest rate is based on the mid-to-long-term base rate plus a margin of 2.4%. Interest payments are made periodically according to the principal repayment schedule. Loan purpose: Investment in machinery and equipment.

(4) Finance Lease Agreement No. 30.0424/HDCTTC-GR, with a lease amount of 3,372,720,000 VND and a lease term of 60 months, subject to a floating interest rate adjusted periodically. Purpose of the finance lease: Acquisition of assets for medical operations. Collateral: The leased asset, a 32-slice CT scan system.

(5) Loan from Mr. Vu Duong Hien under Loan Agreement No. 01/2023/HD-GREEN, dated July 08, 2023, with a loan amount of 50,300,000,000 VND and a loan term of 45 months from the disbursement date. The interest rate is 11% per annum, and the loan is unsecured, intended for bank debt repayment.

HAPACO GROUP JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
For the fiscal year ended on December 31, 2024

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18. Equity

18.1 Changes in Equity

	Owner's equity	Capital surplus	Treasury stock	Development investment fund	Retained earnings	Non-controlling shareholder interests	Total
Balance as of January 1, 2023	1,110,977,720,000	29,926,940,219	(4,464,450,000)	63,928,249,828	36,073,735,032	4,918,798,233	1,241,360,993,312
Increase in capital during the year	-	-	-	-	-	-	-
Increase/decrease due to business consolidation	-	-	-	-	-	-	-
Net profit during the year	-	-	-	-	17,706,690,280	604,155,265	18,310,845,545
Dividend payment	-	-	-	-	(55,471,151,000)	(2,500,000)	(55,473,651,000)
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-
Transfer of development investment fund to profit after tax	-	-	-	(40,000,000,000)	40,000,000,000	-	-
Other decreases	-	-	-	-	-	-	-
Balance as of December 31, 2023	1,110,977,720,000	29,926,940,219	(4,464,450,000)	23,928,249,828	38,309,274,312	5,520,453,498	1,204,198,187,857
Balance as of January 1, 2024	1,110,977,720,000	29,926,940,219	(4,464,450,000)	23,928,249,828	38,309,274,312	5,520,453,498	1,204,198,187,857
Issuance of share capital	-	-	-	-	-	-	-
Increase/decrease due to business consolidation	-	-	-	-	65,034,769	143,224,630,399	143,289,665,167
Reissue of treasury shares	-	-	-	-	-	-	-
Profit during the year	-	-	-	-	101,624,734,347	190,563,805	101,815,298,152
Distribution of dividends	-	-	-	-	-	(1,110,000)	(1,110,000)
Use of development investment fund to settle debts (*)	-	-	-	-	-	-	-
Other increases	-	-	-	-	-	-	-
Other decreases	-	-	-	-	-	-	-
Balance as of December 31, 2024	1,110,977,720,000	29,926,940,219	(4,464,450,000)	23,928,249,828	139,999,043,428	147,065,820,668	1,447,433,324,143

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***18.2. Owner's equity details**

	Ending balance	Opening balance
Mr. Vu Duong Hien	143,683,340,000	143,683,340,000
Other shareholders	967,294,380,000	967,294,380,000
Total	1,110,977,720,000	1,110,977,720,000

18.3 Capital transactions with owners and distribution of dividends, profit sharing

	Current year's balance	Previous year's balance
Owner's capital		
+ Capital contribution at the beginning of the year	1,110,977,720,000	1,110,977,720,000
+ Capital contribution increased during the year	-	-
+ Capital contribution decreased during the year	-	-
+ Capital contribution at the end of the year	1,110,977,720,000	1,110,977,720,000
Dividends, profits distributed	-	(55,471,151,0000)

18.4. Shares

	Ending balance	Opening balance
Number of shares registered for issuance	111,097,772	111,097,772
Number of shares issued/sold to the public	111,097,772	111,097,772
- Ordinary shares	111,097,772	111,097,772
- Preferred shares	-	-
Number of shares repurchased	155,470	155,470
- Ordinary shares	155,470	155,470
- Preferred shares	-	-
Number of shares outstanding	110,942,302	110,942,302
- Ordinary shares	110,942,302	110,942,302
- Preferred shares	-	-

Face value of outstanding share: 10,000 VND

19. Norms outside the Consolidated Balance Sheet**19.1 Foreign currencies of all kinds**

Details of the amount of each type of foreign currency held by the Company in its original currency are as follows:

Content	Ending balance	Opening balance
USD	263,686.99	76,834.29

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED INCOME STATEMENT**1. Goods sale**

	Current year's balance	Previous year's balance
Sales of semi-finished products	360,041,838,341	299,629,334,026
Services sale	59,438,759,254	166,952,798
Total	419,480,597,595	299,796,286,824
In which:		
Revenue from third parties	386,115,146,895	281,063,147,764
Revenue from related parties (details in note VII.2)	33,365,450,700	18,733,139,060
Total	419,480,597,595	299,796,286,824

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***2. Revenue deductions**

	Current year's balance	Previous year's balance
Commercial discounts	500,000	700,000
Total	500,000	700,000

3. Cost of goods sold

	Current year's balance	Previous year's balance
Cost of finished goods sold	316,983,347,817	258,508,789,317
Cost of services provided	47,461,215,845	-
Total	364,444,563,662	258,508,789,317

4. Revenue from financial activities

	Current year's balance	Previous year's balance
Interest on deposits, loans	5,980,372,448	21,081,187,244
Interest on liquidation of investments	597,460,977	-
Exchanges in fair value greater than equity method investment	159,564,919,057	-
Realized exchange gains	1,856,411,852	1,220,362,754
Unrealized exchange gains	769,829,809	449,616,386
Total	168,768,994,143	22,751,166,384

5. Financial expenses

	Current year's balance	Previous year's balance
Interest expenses	2,571,320,103	1,219,786,237
Realized exchange losses	726,757,787	676,838,217
Unrealized exchange losses	299,708,228	98,778,578
(Reversal)/Provisions for short-term and long-term Investments	(10,376,850,199)	(14,617,291,884)
Other financial expenses	55,053,356	7,647,182
Total	(6,724,010,725)	(12,614,241,670)

6. Cost of sales

	Current year's balance	Previous year's balance
Employee costs	39,803,000	-
Fixed asset depreciation	162,338,544	162,338,544
Outsourced service costs	13,318,063,199	11,256,727,553
Other cost of sales	716,415,643	938,299,108
Total	14,236,620,386	12,357,365,205

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***7. General and administrative expenses**

	Current year's balance	Previous year's balance
Administrative staff expenses	18,795,381,197	15,039,319,824
Administrative material expenses	142,678,406	60,583,772
Office supplies expenses	105,688,929	40,016,756
Depreciation of fixed assets and allocation of goodwill	11,417,919,399	1,197,659,518
Taxes, fees and charges	183,697,499	438,224,599
Provisions	44,021,734,750	15,897,819,000
Outsourcing service expenses	20,724,746,689	14,867,791,477
Other general and administrative expenses	9,387,389,841	2,620,727,823
Total	104,779,236,710	50,162,142,769

8. Other income

	Current year's balance	Previous year's balance
Income from liquidation of fixed assets	72,727,273	-
Handling of surplus debts	706,619,555	-
Income from capital transfer (*)	20,282,334,436	-
Other income	516,333,683	314,667
Total	21,578,014,947	314,667

(*): Additional income from the transfer of 347,976 shares of Hai Phong Industrial Park Joint Stock Company according to Agreement No. 03 dated August 14, 2024 and related adjustment documents.

9. Other expenses

	Current year's balance	Previous year's balance
Tax fines, arrears, administrative fines, late payment fines	23,003,839,223	1,501,207,972
Other expenses	16,478,366	30,000,000
Total	23,020,317,589	1,531,207,972

10. Production and business expenses by factor

	Current year's balance	Previous year's balance
Raw material expenses	253,217,803,488	184,196,984,505
Labor expenses	74,176,503,853	47,671,731,297
Tool and equipment expenses	5,271,425,792	-
Fixed asset depreciation, goodwill allocation	26,472,994,322	8,039,224,154
Taxes, fees	63,244,537	-
Provision expenses	44,019,740,373	12,566,777,114
Outsourced service expenses	59,316,052,404	46,976,690,994
Other costs	14,963,994,399	4,554,096,737
Total	464,146,843,224	304,005,504,801

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***B09-DN/HN***For the fiscal year ended on December 31, 2024***11. Current corporate income tax expenses**

	Current year's balance	Previous year's balance
Corporate income tax expense calculated on current year taxable income	3,951,588,555	3,321,887,641
Total current corporate income tax expenses	3,951,588,555	3,321,887,641

The current corporate income tax payable is determined based on the taxable income of the current period. The Company's taxable income differs from the income reported in the income statement because taxable income excludes taxable income items or deductible expenses for tax purposes in different periods and also excludes non-taxable items or non-deductible expenses for tax purposes. The Company's current corporate income tax payable is calculated based on the tax rates enacted as of the end of the fiscal year.

12. Basic earnings per share

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

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

	Current year's balance	Previous year's balance
Accounting profit after corporate income tax	101,815,298,152	18,310,845,545
Profit attributable to shareholders owning ordinary shares of the Company	101,624,734,347	17,706,690,280
Amount allocated to bonus and welfare fund during the year	-	-
Average ordinary shares outstanding during the year (*)	110,942,302	110,942,302
Basic earnings per share	916	160

(*) The average outstanding ordinary shares during the year are determined as follows:

	Current year's balance	Previous year's balance
Average ordinary shares outstanding at the beginning of the year	110,942,302	110,942,302
Average number of additionally issued shares outstanding during the year	-	-
Minus: Average number of treasury shares repurchased during the year	-	-
Average ordinary shares outstanding during the year	110,942,302	110,942,302

VII. OTHER INFORMATION**1. Events occurring after the end of the fiscal year**

There were no events arising after the end of the fiscal year that had a material impact or could potentially have a material impact on the Company's operations and the Company's consolidated business performance in the periods after the end of the financial year.

2. Related party transactions

A party is considered a related party when it has the ability to control the other party or exert significant influence over the other party in financial and business decision-making. Related parties include enterprises such as the parent company, subsidiaries, and individuals who, directly or indirectly through one or more intermediaries, have control over the Company, are controlled by the Company, or are under common control with the Company. Related parties also include affiliated entities, individuals who directly or indirectly hold voting rights in the Company and have significant influence over the Company, key management personnel such as Deputy General Directors, Company officers, close family members of these individuals or affiliated entities, and companies associated with these individuals.

HAPACO GROUP JOINT STOCK COMPANY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****B09-DN/HN***For the fiscal year ended on December 31, 2024***2.1 Transactions with key management personnel and related individuals**

Key management personnel and related individuals include members of the Board of Directors, the Board of Management, the Board of Supervisors, the Chief Accountant, and their close family members.

Transactions with key management personnel include:

	Current year's balance	Previous year's balance
Board of Directors, Board of Management	1,585,129,580	1,669,665,000
Vu Duong Hien	447,181,000	465,059,000
Vu Xuan Thuy	330,924,000	339,192,000
Vu Xuan Cuong	311,530,000	314,336,000
Vu Xuan Thinh	284,338,000	289,953,000
Nguyen Duc Hau	56,700,000	75,600,000
Pham Cong Ngu	97,756,580	50,400,000
Phi Trong Phuc	-	12,600,000
Doan Duc Luyen	56,700,000	75,600,000
Bui Doan Nhan	-	46,925,000
Board of Supervisors	542,487,600	501,317,732
Pham Duc Phien	56,700,000	75,600,000
Nguyen Thi My Trang	241,795,200	209,481,900
Khoa Thi Thanh Huyen	243,992,400	216,235,832
Chief Accountant	139,459,000	144,883,368
Cao Thi Thuy Lan (*)	139,459,000	144,883,368
Income of member under the Board of leaders	2,267,076,180	2,315,866,100

Other transactions:

	Current year's balance	Previous year's balance
Members under the Board of leaders		
- Recovering investment trust money	296,800,000,000	-
- Loan interest paid by the Company	4,051,895,312	-
- Borrowings by the company	-	2,000,000,000
- Loan repayment by the Company	14,560,000,000	2,000,000,000
- Authorization of savings deposit by the Company	6,000,000,000	173,400,000,000
- Recovering authorized savings deposit by the Company	119,900,000,000	85,500,000,000
- Receiving authorized savings deposit interest by the Company	4,368,141,799	7,217,629,363
- Lending by the Company	54,000,000,000	-
- Payment of dividends	1,110,000	14,200,909,500

2.2 Other related parties

The list of other related parties to the Company includes:

Related parties	Relationship
Green International Hospital Joint Stock Company - Hai Duong	Associates company
Hai Phong Securities Joint Stock Company (*)	Mr. Vu Duong Hien is Chairman of the Board of Directors
Hafinco Investment Joint Stock Company	Mr. Vu Duong Hien is Chairman of the Board of Directors
Tien Sa Oriental Medicine Joint Stock Company	Mr. Vu Duong Hien is Chairman of the Board of Directors
Vida Hai Phong Company Limited	Mr. Vu Duong Hien is Chairman of the Board of Members
Ha Noi - Hapaco Trading And Import Export Company Limited	Mr. Vu Duong Hien is Director of the Company

HAPACO GROUP JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL
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For the fiscal year ended on December 31, 2024

Related parties	Relationship
Hai Duong Paper Tube Packaging Joint Stock Company	Mr. Vu Xuan Anh, legal representative of the company, is the son of Mr. Vu Xuan Thuy.
Hapaco Tourism Service And Labour Export Limited Company	Mr. Vu Duong Hien is the Director of the Company.

(*): From October 1, 2024, Mr. Vu Duong Hien is no longer Chairman of the Board of Directors.

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

	Current year's balance	Previous year's balance
<i>Green International Hospital Joint Stock Company - Hai Duong</i>		
Capital contribution	46,000,000,000	-
Remittance for payments on behalf	-	-
Lending by the Company	268,918,500,000	-
<i>Vida Hai Phong Company Limited</i>		
Sales revenue	12,718,817,000	10,309,639,057
Receivables from sales of goods	11,750,689,980	6,464,266,886
Receivables from payments on behalf	2,774,239,039	1,000,000,000
Receivables from loans	-	25,000,000,000
<i>Ha Noi - Hapaco Trading And Import Export Company Limited</i>		
Lending	-	25,000,000,000
<i>Hapaco Tourism Service And Labour Export Limited Company</i>		
Receivables from payments on behalf	2,883,000	145,536,600
<i>Hai Duong Paper Tube Packaging Joint Stock Company</i>		
Sales revenue	20,646,833,700	8,423,500,003
Proceeds from sales	200,000,000	-
Debt offset	1,069,995,960	713,501,720
Payables to purchase good	990,737,000	1,274,297,300
Payables for purchase of goods	-	680,320,630

Major balances with related parties as of the end of the fiscal year

As of the end of the fiscal year, debts with related parties are presented in Notes V.2.2, V.3, V.5.1, V.15, and V.17.

3. Segment report

Segment report as per business area: The Company's revenue includes manufacturing and trading activities related to paper products such as Kraft paper, Tissue paper, and hospital services.

Segment report as per business area geographical area: The Company's revenue is primarily generated from key geographical segments, which include various provinces and cities within Vietnam.

Details of the Company's business performance and asset situation by business area and geographical region for the year are as follows:

HAPACO GROUP JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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For the fiscal year ended on December 31, 2024

3. Segment report (continued)

Segment report as per business area

	Hospital	Paper manufacture	Other area	Exclusion of consolidation	Total
Net revenue by segment	59,097,231,929	406,696,644,406	-	(46,313,778,740)	419,480,097,595
Other income by segment	789,722,966	4,007,336,258	27,363,114,227	(1,378,083,417)	190,347,009,090
Financial income	2,303,409	3,701,645,304	6,878,209,791	(1,378,083,417)	9,204,075,087
Gains from business consolidation	-	-	-	-	159,564,919,056
Other income	787,419,557	305,690,954	20,484,904,436	-	21,578,014,947
Profits or losses from joint ventures and associates					(5,001,498,581)
Expenses by segment	(56,358,092,551)	(425,083,749,541)	(57,322,988,474)	48,408,438,369	(503,711,308,142)
Cost price by segment	(43,959,216,859)	(363,297,126,557)	-	46,313,778,740	(360,942,564,676)
Cost of goods sold	-	(14,236,620,386)	-	-	(14,236,620,386)
General and administrative expenses	(10,352,181,912)	(35,378,895,277)	(49,198,234,527)		(94,929,311,716)
Financial expenses	(1,574,630,072)	(2,107,570,920)	8,311,552,088	2,094,659,629	6,724,010,725
Other expenses	(11,117,142)	(6,572,894,412)	(16,436,306,035)	-	(23,020,317,589)
Expenses from business consolidation	-	-	-	-	(13,354,915,945)
Current corporate income tax expenses	(460,946,566)	(3,490,641,989)	-	-	(3,951,588,555)
Business profit by segment	3,528,862,344	(14,379,768,877)	(29,959,874,247)	716,576,212	101,114,299,962
Deferred corporate income tax expense					(700,998,190)
Profit after corporate income tax					101,815,298,152

The assets and liabilities of the Company's geographical segments are as follows:

	Hospital	Paper manufacture	Other area	Exclusion of consolidation	Total
Assets					
Segment short-term assets	138,774,572,118	210,641,605,451	167,181,422,162	(126,108,122,152)	390,489,477,580
Segment long-term assets	577,903,777,079	79,552,996,937	1,014,448,352,831	(388,508,162,242)	1,283,396,964,604
Total assets	716,678,349,197	290,194,602,388	1,181,629,774,993	(514,616,284,394)	1,673,886,442,184
Liabilities					
Segment short-term liabilities	131,241,633,232	85,328,946,955	40,310,830,548	(126,107,486,526)	130,773,924,209
Segment long-term liabilities	20,362,540,677	98,180,000	-	-	20,460,720,677
Deferred Corporate Income Tax payable					75,218,473,155
Total liabilities	151,604,173,909	85,427,126,955	40,310,830,548	(126,107,486,526)	226,453,118,041

HAPACO GROUP JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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For the fiscal year ended on December 31, 2024

3. Segment report *(continued)*

Segment report as per geographical area

	Hai Phong	Export	Hpa Binh	Remaining provinces	Exclusion of consolidation	Total
Net revenue by segment	265,735,504,595	124,490,419,200	44,683,318,450	30,884,634,090	(46,313,778,740)	419,480,097,595
Other income by segment	31,633,723,267	524,599,101	951,355	899,728	(1,378,083,417)	190,347,009,090
Financial income	10,055,708,320	524,599,101	951,355	899,728	(1,378,083,417)	9,204,075,087
Gains from business consolidation	-	-	-	-	-	159,564,919,056
Other income	21,578,014,947	-	-	-	-	21,578,014,947
Profits or losses from joint ventures and associates						(5,001,498,581)
Expenses by segment	(348,405,151,737)	(118,593,155,207)	(42,890,122,959)	(28,876,400,663)	48,408,438,369	(503,711,308,142)
Cost price by segment	(241,091,532,718)	(101,985,536,684)	(38,231,025,427)	(25,948,248,587)	46,313,778,740	(360,942,564,676)
Cost of goods sold	(3,101,320,497)	(7,329,991,077)	(2,638,829,065)	(1,166,479,747)	-	(14,236,620,386)
General and administrative expenses	(87,404,328,070)	(4,783,771,712)	(1,404,344,341)	(1,336,867,593)	-	(94,929,311,716)
Financial expenses	5,074,817,324	(278,430,955)	(32,219,178)	(134,816,095)	2,094,659,629	6,724,010,725
Other expenses	(21,250,058,448)	(1,481,316,628)	(39,473,572)	(249,468,941)	-	(23,020,317,589)
Expenses from business consolidation	-	-	-	-	-	(13,354,915,945)
Current corporate income tax expenses	(632,729,328)	(2,734,108,151)	(544,231,376)	(40,519,700)	-	(3,951,588,555)
Business profit by segment	(51,035,923,875)	6,421,863,094	1,794,146,846	2,009,133,155	716,576,212	101,114,299,962
Deferred corporate income tax expense						(700,998,190)
Profit after corporate income tax						101,815,298,152

The assets and liabilities of the Company's geographical segments are as follows:

	Hai Phong	Export	Hpa Binh	Remaining provinces	Exclusion of consolidation	Total
Assets						
Segment short-term assets	444,539,463,253	35,122,393,093	18,305,013,771	18,630,729,614	(126,108,122,152)	390,489,477,580
Segment long-term assets	1,657,330,971,336	9,297,283,230	-	5,276,872,281	(388,508,162,242)	1,283,396,964,604
Total assets	2,101,870,434,589	44,419,676,323	18,305,013,771	23,907,601,895	(514,616,284,394)	1,673,886,442,184
Liabilities						
Segment short-term liabilities	223,118,304,898	11,526,586,933	11,262,276,592	10,974,242,312	(126,107,486,526)	130,773,924,209
Segment long-term liabilities	20,377,540,677	-	-	83,180,000	-	20,460,720,677
Deferred Corporate Income Tax payable						75,218,473,155
Total liabilities	243,495,845,575	11,526,586,933	11,262,276,592	18,630,729,614	(126,107,486,526)	226,453,118,041

HAPACO GROUP JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

For the fiscal year ended on December 31, 2024

B09-DN/HN

4. Comparative information

Comparative information is data from the Consolidated Financial Statements 2023 audited by BDO Audit Services Company Limited.

Prepared by

Chief accountant

Prepared on March 27, 2025
Deputy General Director

Hoang Phu Son

Hoang Phu Son

Vu Xuan Thuy