

DONGNAI PAINT CORPORATION

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2024



DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province,
Vietnam

CONTENTS

	Pages
THE MANAGEMENT'S REPORT	1 – 2
INDEPENDENT AUDITORS' REPORT	3 – 4
AUDITED FINANCIAL STATEMENTS	
Statement of financial position	5 – 6
Income statement	7
Cash flow statement	8 – 9
Notes to the financial statements	10 – 36

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

THE MANAGEMENT'S REPORT

The management of Dongnai Paint Corporation (hereinafter referred to as "the Company") hereby presents its report and the audited financial statements of the Company for the financial year ended 31 December 2024.

MEMBERS OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE AND THE MANAGEMENT

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

<u>Full name</u>	<u>Position</u>
Mr Nguyen Pham Thuyen	Chairperson
Mr Nguyen Duc Nhlen	Vice chairperson
Mr Dao Dinh De	Member
Mr Tran Trung Kien	Member
Ms Vu Nguyen Thi Hanh	Member

Members of the Supervisory Committee during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Ms Dang Le Bich Phuong	Head
Ms Bui Thi Thuy Lien	Member
Ms Trinh Thi Ngoc Huong	Member

Members of management during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr Nguyen Duc Nhlen	General Director
Mr Nguyen Pham Thuyen	Vice General Director
Ms Huynh Nguyen Thanh Uyen	Vice General Director

AUDITOR

The accompanying financial statements of the Company for the financial year ended 31 December 2024 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

RESPONSIBILITY OF THE MANAGEMENT

The Company's management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

THE MANAGEMENT'S REPORT (CONTINUED)

The 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 ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam. The 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 management confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT BY THE MANAGEMENT

In the management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

For and on behalf of management,



Nguyễn Dục Nhiên
General Director

Dong Nai Province, 20 February 2025

No.: 34/2025/KT-RSMHCM

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders**
Members of the Board of Directors
Members of the management
DONGNAI PAINT CORPORATION

Report on the financial statements

We have audited the accompanying financial statements of Dongnai Paint Corporation (hereinafter referred to as "the Company") prepared on 20 February 2025 as set out from page 05 to page 36 which comprise the statement of financial position as at 31 December 2024, and the income statement, cash-flow statement for the financial year then ended, and the notes to the financial statements.

The management's Responsibility

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Dongnai Paint Corporation as at 31 December 2024, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System issued under Circular 200/2014/TT-BTC dated 22 December 2014 and Circular 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance and relevant legislation as to the preparation and presentation of financial statements.

pp GENERAL DIRECTOR**Lúc Thị Van****Vice General Director**

Audit Practice Registration Certificate:

0172-2023-026-1

Nguyen Thi Xuan Kieu**Auditor**

Audit Practice Registration Certificate:

5547-2025-026-1

RSM Vietnam Auditing & Consulting Company Limited*Ho Chi Minh City, 20 February 2025*

As disclosed in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province,
Vietnam

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Expressed in VND

ASSETS	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
A. CURRENT ASSETS	100		53,058,109,947	48,206,682,488
I. Cash and cash equivalents	110		4,588,484,559	4,209,000,623
1. Cash	111	4.1	4,588,484,559	4,209,000,623
II. Current account receivables	130		27,869,367,682	21,733,398,811
1. Trade receivables	131	4.2	29,225,045,261	23,095,666,935
2. Advances to suppliers	132		45,232,960	-
3. Other current receivables	136		869,308,893	809,898,125
4. Provision for doubtful debts	137	4.3	(2,270,219,432)	(2,172,166,249)
III. Inventories	140	4.4	20,600,257,706	21,547,882,220
1. Inventories	141		20,665,775,006	21,624,063,016
2. Provision for decline in value of inventories	149		(65,517,300)	(76,180,796)
IV. Other current assets	150		-	716,400,834
1. Value added tax deductible	152		-	716,400,834
B. NON-CURRENT ASSETS	200		56,274,647,758	56,951,544,687
I. Non-current account receivables	210		-	750,000,000
1. Other non-current receivables	216		-	750,000,000
II. Fixed assets	220		1,165,944,996	1,471,356,953
1. Tangible fixed assets	221	4.5	1,165,944,996	1,471,356,953
Cost	222		31,743,783,133	32,362,232,888
Accumulated depreciation	223		(30,577,838,137)	(30,890,875,935)
III. Non-current financial investments	250		715,047,543	819,000,000
1. Investment in other entities	253		819,000,000	819,000,000
2. Provision for non-current investments	254		(103,952,457)	-
IV. Other non-current assets	260		54,393,655,219	53,911,187,734
1. Non-current prepayments	261	4.6	54,170,970,034	53,688,502,549
2. Deferred income tax assets	262		222,685,185	222,685,185
TOTAL ASSETS (270 = 100 + 200)	270		109,332,757,705	105,158,227,175

(See the next page)

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Vietnam

Form B 01 - DN

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

Expressed in VND

RESOURCES	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
C. LIABILITIES	300		42,397,189,957	40,851,963,039
I. Current liabilities	310		42,197,189,957	40,164,272,489
1. Trade payables	311	4.7	17,374,326,002	18,845,554,769
2. Advances from customers	312		216,077,660	139,177,830
3. Taxes and amounts payable to the state budget	313	4.8	824,947,540	610,395,870
4. Payables to employees	314	4.9	2,930,807,205	2,312,291,381
5. Accrued expenses	315	4.10	3,373,103,725	537,241,769
6. Current loans and obligations under finance leases	320	4.11	13,474,768,889	12,046,505,869
7. Bonus and welfare fund	322	4.12	4,003,158,936	5,673,105,001
II. Non-current liabilities	330		200,000,000	687,690,550
1. Other non-current payables	337		200,000,000	687,690,550
D. OWNER'S EQUITY	400		66,935,567,748	64,306,264,136
I. Equity	410	4.13	66,935,567,748	64,306,264,136
1. Owner's contributed capital	411		30,364,360,000	30,364,360,000
2. Investment and development fund	418	4.13.6	21,270,364,407	6,587,580,230
3. Other reserves	420	4.13.6	1,518,200,000	1,518,200,000
4. Retained earnings	421		13,782,643,341	25,836,123,906
Beginning accumulated retained earnings	421a		8,811,172,806	15,122,130,194
Retained earnings of the current year	421b		4,971,470,535	10,713,993,712
TOTAL RESOURCES (440 = 300 + 400)	440		109,332,757,705	105,158,227,175



Nguyen Duc Nhen
 General Director

Huynh Thi Thanh Huong
 Chief Accountant

Nguyen Bac Trung
 Preparer

Dong Nai Province, 20 February 2025

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province,
Vietnam

Form B 02 - DN

INCOME STATEMENT

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
1. Revenue	01	5.1	124,476,353,785	116,390,575,198
2. Deductions	02	5.2	4,828,382,245	5,855,137,592
3. Net revenue	10		119,647,971,540	110,535,437,606
4. Cost of sales	11	5.3	84,726,675,218	80,013,219,301
5. Gross profit	20		34,921,296,322	30,522,218,305
6. Finance income	21	5.4	33,394,909	10,245,572,302
7. Finance expense	22	5.5	4,470,930,992	4,792,906,519
Of which, interest expense	23		1,054,595,433	1,386,022,332
8. Selling expense	25	5.6	8,460,346,058	6,732,178,033
9. General and administrative expense	26	5.7	14,308,622,310	11,889,399,059
10. Operating profit/(loss)	30		7,714,791,871	17,353,306,996
11. Other income	31	5.8	4,024,328,338	4,313,731,006
12. Other expense	32		582,679,796	917,251,469
13. Net other income/(loss)	40		3,441,648,542	3,396,479,537
14. Accounting profit/(loss) before tax	50		11,156,440,413	20,749,786,533
15. Current corporate income tax expense	51	5.10	2,306,492,106	4,421,139,201
16. Deferred corporate income tax expense	52		-	(140,000,000)
17. Net profit/(loss) after tax	60		8,849,948,307	16,468,647,332
18. Basic earnings per share	70	4.13.4	2,366	4,342
19. Diluted earnings per share	71	4.13.4	2,366	4,342



Nguyễn Đức Nhiên
General Director

Huỳnh Thị Thanh Hương
Chief Accountant

Nguyễn Bắc Trung
Preparer

Dong Nai Province, 20 February 2025

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

Form B 03 - DN

CASH FLOW STATEMENT**(Indirect method)**

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		11,156,440,413	20,749,786,533
2. Adjustment for:				
Depreciation and amortisation	02	5.9	692,121,772	1,022,192,994
Provisions	03		191,342,144	(5,320,365)
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04		-	(12,571,500)
Gains/losses from investment	05		(38,516,675)	(24,075,802)
Interest expense	06	5.5	1,054,595,433	1,386,022,332
3. Operating profit /(loss) before adjustments to working capital	08		13,055,983,087	23,116,034,192
Increase or decrease in accounts receivable	09		(4,767,621,220)	1,731,819,806
Increase or decrease in inventories	10		958,288,010	3,300,403,106
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		2,115,680,571	(3,497,150,551)
Increase or decrease prepaid expenses	12		(482,467,485)	(8,539,099,183)
Increase or decrease in trading securities	13		-	2,450,000,000
Interest paid	14		(1,054,595,433)	(1,386,022,332)
Corporate income tax paid	15	4.8	(2,597,200,385)	(4,388,306,804)
Other cash inflows from operating activities	16		7,615,000	1,490,000
Other cash outflows from operating activities	17		(3,343,551,760)	(2,551,615,000)
Net cash from operating activities	20		3,892,130,385	10,237,553,234
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(424,772,144)	(133,438,000)
2. Proceeds from disposals of fixed assets and other long-term assets	22		25,000,000	-
3. Interest and dividends received	27		13,516,675	24,075,802
Net cash from investing activities	30		(386,255,469)	(109,362,198)

(See the next page)

DONGNAI PAINT CORPORATION

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Vietnam

Form B 03 - DN

**CASH FLOW STATEMENT
(Indirect method)**

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	37,047,284,257	36,207,347,768
2. Repayment of borrowings	34	6.2	(35,619,021,237)	(42,071,764,871)
3. Dividends paid	36	4.13.5	(4,554,654,000)	(5,313,763,000)
Net cash from financing activities	40		(3,126,390,980)	(11,178,180,103)
NET INCREASE/(DECREASE) IN CASH (50 = 20 + 30 + 40)	50		379,483,936	(1,049,989,067)
Cash and cash equivalents at beginning of year	60		4,209,000,623	5,258,989,690
Impact of exchange rate fluctuation	61		-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR (70 = 50 + 60 + 61)	70	4.1	4,588,484,559	4,209,000,623



Nguyễn Đức Nhiên
General Director

Huỳnh Thị Thanh Hương
Chief Accountant

Nguyễn Bắc Trung
Preparer

Dong Nai Province, 20 February 2025

NOTES TO THE FINANCIAL STATEMENTS**1. CORPORATE INFORMATION****1.1. Structure of ownership**

Dongnai Paint Corporation (hereinafter referred to as "the Company") – former name is Dongnai Paint Factory – a state-owned enterprise under Dong Nai Department of Industry. On 13 December 1999, the Company was converted into a joint stock company called Dong Nai Paint Corporation in accordance with Business Registration Certificate No. 3600451024 dated 01 March 2000 granted by Dong Nai Province's Department of Planning and Investment and other amended certificates thereafter with the latest one dated 23 October 2023.

The charter capital as stipulated in the Business Registration Certificate is VND 30,364,360,000.

The Company's registered head office is Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam.

The number of employees as at 31 December 2024 was 149 (31 December 2023: 167).

1.2. Business field

Manufacturing.

1.3. Operating industry and principal activities

The Company is principally engaged in production and trading of paint products, production of putty (wall putty).

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a period of 12 months.

1.5. Operating activities in the financial year impacting the financial statements

According to the Resolution No. 32/2024/NQ-HĐQT dated 12 June 2024 and the Resolution No. 36/2024/NQ-HĐQT dated 30 August 2024, the Board of Directors approved the termination of operations at the Bac Ninh branch due to the expiration of the investment project's duration and the decision not to extend the investment, the date of termination is from 01 September 2024. Currently, the Company is in the process of completing the procedures to dissolve the branch.

2. BASIS OF PREPARATION**2.1. Accounting standards, accounting system**

The accompanying financial statements, expressed in Vietnamese Dong ("VND"), are prepared under the historical cost convention, and in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

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

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.3. Financial year

The Company's financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currencies

- The exchange rate applied in accounting is the actual transaction exchange rate at the time of transaction;
- The exchange rate applicable to asset re-evaluation is the foreign currency-buying rate;
- The exchange rate applicable to liability re-evaluation is the foreign currency-selling rate;

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the year in which they arise. At the end of the reporting year, monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and resultant exchange differences resulting from the reporting after offset are recognised in profit or loss in the year in which they arise.

3.2. Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets as at 31 December 2024 and liabilities reported in the notes as well as revenues and expenses for the financial year ended 31 December 2024. Although these estimates are based on the management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

3.3. Cash

Cash comprise cash in hand and cash at bank as at the end of reporting year.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provision for doubtful debts

As of the date of the financial statements, provisions for doubtful debts are recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might be uncollectible or for uncollectible debts due to liquidation, bankruptcy, or similar difficulties.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.5. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling, and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

Provisions for decline in value of inventories

As of the date of the financial statements, provisions are recognised for obsolete, slow-moving, defective inventory, and for inventory stated at cost higher than net realisable value.

The difference between the required balance and the existing balance of the provisions for a decline in value of inventories is included in cost of sales in the income statement.

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.6. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

Depreciation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.6. Tangible fixed assets (Continued)

The estimated useful lives are as follows:

▪ Buildings, structures	05 – 25 years
▪ Machinery and equipment	03 – 10 years
▪ Motor vehicles	05 – 15 years
▪ Management equipment	03 – 05 years

3.7. Leases

Lease classification

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

Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

3.8. Prepayment

Prepayment is classified as non-current based on their original term and mainly cost related to prepaid infrastructure rentals.

Infrastructure rental is recorded as prepaid expenses which are amortised over the rental period.

3.9. Liabilities

Liabilities are classified into trade payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.10. Borrowing costs

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until the assets are put into use or sale.

Investment income earned on temporary investment of borrowings is deducted from the cost of the respective assets.

All other borrowing costs are recognised as an expense in the income statement when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.11. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.12. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Reserves

Reserves are created at certain percentages of profit after tax as prescribed in the Company's charter

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved the Annual General Meeting of Shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.13. Revenue

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

3.14. Deductions

Deductions include trade discounts and sale returns.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.15. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.16. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include payment discount, borrowing costs, provision for impairment of investment in other entities, and losses from exchange rates.

3.17. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods, and rendering services, which include expenses relating to raw materials, packaging; offering, introducing products, advertising products; promotion; sales commissions; product warranty; transportation costs, loading and unloading costs, sundry expenses (entertainment, etc.).

General and administrative expenses represent common expenses, which include payroll costs for office employees' (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, depreciation expenses of fixed assets used for administration activities; land rental, license tax; utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses (entertainment, customer conference, etc.).

3.18. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year at 20%.

Deferred corporate income tax expense

Deferred corporate tax expense is determined on the basis of the deductible temporary differences, taxable temporary differences and the estimated CIT rate that will be applied for the years that assets and liabilities will be recovered. The tax rates used will be the tax rates (and tax laws) that are in effect at the financial year end.

Deferred tax liability is recognised for all taxable temporary differences, unless:

- The deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss);
- All taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures when the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless:

- The deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of transaction, affects neither accounting profit nor taxable profit (tax loss);
- The deferred tax assets for all deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures are only recognised when it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.18. Taxes (Continued)

The carrying amount of a deferred tax asset shall be reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reverted to the extent it becomes probable that sufficient taxable profit will be available.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred tax assets and deferred tax liabilities are only offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority and the Company intends to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax 10%.

Other taxes

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

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.19. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Company and held as treasury shares.

3.20. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Company and held as treasury shares.

3.21. Segment reporting

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3.22. Related parties**

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the management and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION**4.1. Cash**

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Cash in hand	354,793,468	604,525,032
Cash at banks	4,233,691,091	3,604,475,591
Total	4,588,484,559	4,209,000,623

4.2. Current trade receivables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
PPG Viet Nam Company Limited	4,566,700,839	2,906,680,081
Gia Gia Phat Trading and Service Company Limited	2,258,555,620	2,384,051,111
Other customers (*)	22,399,788,802	17,804,935,743
Total	29,225,045,261	23,095,666,935

(*) As at 31 December 2024, any component of current trade receivables from other customers was less than 10% total current trade receivables.

Current trade receivables of at least VND 15 billion have been used as collateral, pledge, or security for loans – Refer to Note 4.11.

4.3. Doubtful debts

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue trade receivables	2,289,930,132	19,710,700	2,192,166,249	20,000,000

The management assessed the ability to recover the overdue receivables as low because receivables has been outstanding for many years.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.3. Doubtful debts (Continued)**

Movements of provisions for doubtful debts are detailed as follows:

	Year 2024 VND	Year 2023 VND
Carrying amount at the start of the year	2,172,166,249	2,148,181,433
Additional provisions recognised	98,053,183	47,445,334
Unused amounts reversed	-	(23,460,518)
Carrying amount at the end of the year	2,270,219,432	2,172,166,249

Overdue trade receivables are analysed by debtor as follows:

	As at 31 Dec. 2024 VND			As at 01 Jan. 2024 VND		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
Nguyen Van San Store	1,096,000,000	-	Over 3 years	1,096,000,000	-	Over 3 years
Minh Khoi Trading & Construction Co., Ltd.	367,017,470	-	Over 3 years	367,017,470	-	Over 3 years
Other customers	826,912,662	19,710,700	From 1 year – Over 3 years	729,148,779	20,000,000	Over 3 years
Total	2,289,930,132	19,710,700		2,192,166,249	20,000,000	

(See the next page)

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.4. Inventories**

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Cost	Provisions	Cost	Provisions
Raw materials	7,783,313,681	(36,501,117)	7,019,906,889	(34,401,117)
Tools and supplies	825,294,792	-	778,608,147	(5,936,182)
Semi-finished goods	594,722,824	-	625,902,809	-
Finished goods	11,461,769,701	(29,016,183)	13,197,535,549	(35,843,497)
Merchandise	674,008	-	2,109,622	-
Total	20,665,775,006	(65,517,300)	21,624,063,016	(76,180,796)

Minimum inventory value of VND 15 billion has been used as collateral, pledge, or guarantee for loans – Refer to Note 4.11.

(See the next page)

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.5. Tangible fixed assets**

Items	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost:					
As at 01 Jan. 2024	7,953,820,577	16,615,096,212	7,620,555,554	172,760,545	32,362,232,888
Purchase	-	386,709,815	-	-	386,709,815
Disposals	-	(1,005,159,570)	-	-	(1,005,159,570)
As at 31 Dec. 2024	7,953,820,577	15,996,646,457	7,620,555,554	172,760,545	31,743,783,133
Accumulated depreciation:					
As at 01 Jan. 2024	7,782,162,602	16,016,497,334	6,957,742,954	134,473,045	30,890,875,935
Depreciation	171,657,975	292,238,041	214,725,756	13,500,000	692,121,772
Disposals	-	(1,005,159,570)	-	-	(1,005,159,570)
As at 31 Dec. 2024	7,953,820,577	15,303,575,805	7,172,468,710	147,973,045	30,577,838,137
Net book value:					
As at 01 Jan. 2024	171,657,975	598,598,878	662,812,600	38,287,500	1,471,356,953
As at 31 Dec. 2024	-	693,070,652	448,086,844	24,787,500	1,165,944,996

Amount of year-end cost and net book value of tangible fixed assets pledged, mortgaged as loan security are VND 4,983,378,447 and VND 0, respectively – Refer to Note 4.11.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 28,950,516,272.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.6. Non – current prepayments**

Representing land rental and infrastructure usage costs at Ho Nai Industrial Park, Ho Nai 3 Commune, Trang Bom District, Dong Nai Province with a lease term from 06 June 2022 to 31 May 2065.

4.7. Current trade payables

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Amount	Payable amount	Amount	Payable amount
Trade payables to related parties	-	-	65,691,038	65,691,038
Trade payables:				
Da Trang				
Transport and Trading				
Production				
Company Limited	1,763,047,188	1,763,047,188	2,369,832,800	2,369,832,800
Other suppliers (*)	15,611,278,814	15,611,278,814	16,410,030,931	16,410,030,931
Total	<u>17,374,326,002</u>	<u>17,374,326,002</u>	<u>18,845,554,769</u>	<u>18,845,554,769</u>

(*) As at 31 December 2024, any component of current trade payables to other suppliers was less than 10% of the total current trade payables.

(See the next page)

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.8. Tax and amounts payable to the state budget

	As at 31 Dec. 2024 VND	Movement in year VND	As at 01 Jan. 2024 VND
	Payable	Payable	Payable
Output value added tax (*)	531,100,637	5,088,356,156	27,939,203
Value added tax on imported goods	-	556,683,270	-
Corporate income tax	147,939,844	2,306,492,106	438,648,123
Personal income tax	145,907,059	524,905,797	143,808,544
Other taxes	-	4,000,000	-
Total	824,947,540	8,480,437,329	610,395,870

(*) Of which, output value added tax is detailed as follows:

	As at 31 Dec. 2024 VND	Movement in year VND	As at 01 Jan. 2024 VND
	Payable	Deducted	Payable
Output value added tax	531,100,637	7,417,409,875	27,939,203

4.9. Payables to employees

Representing the 12th-month salary and 13th-month salary in year 2024 payable to employees as at 31 December 2024.

(See the next page)



DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.10. Current accrued expenses**

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Accrued promotional program expense	2,189,013,000	2,040,000
Accrued electricity	773,137,717	423,363,186
Accrued payment discount	304,549,950	-
Accrued other expenses	106,403,058	111,838,583
Total	3,373,103,725	537,241,769

4.11. Current loans and finance lease liabilities

	As at 31 Dec. 2024 VND		Movements in the year VND		As at 01 Jan. 2024 VND	
	Amount	Payable amount	Increase	Decrease	Amount	Payable amount
Bank loans	13,474,768,889	13,474,768,889	37,047,284,257	35,619,021,237	12,046,505,869	12,046,505,869

Representing current loans in VND at Vietnam Joint Stock Commercial Bank for Industry and Trade with the term not exceeding 12 months, the credit limit is VND 30 billion and the interest rate for each loan on the debt receipt from 7.5% to 8.2% per year, the purpose of the loan is to supplement the Company's working capital and serve its production and business, secured by the following collaterals:

- Rights to trade receivables that have been and/or will be formed in the future with a minimum value of VND 15 billion – Refer to Note 4.2;
- Total value of inventory with a minimum maintaining level of VND 15 billion – Refer to Note 4.4;
- Fixed assets with cost and residual value as at 31 December 2024 are VND 4,983,378,447 and VND 0, respectively – Refer to Note 4.5.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province,
Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.12. Bonus and welfare fund**

	Year 2024 VND	Year 2023 VND
As at 01 January	5,673,105,001	4,938,873,481
Distribution in year	1,665,990,695	3,284,356,520
Other increase	7,615,000	1,490,000
Using in year	(3,343,551,760)	(2,551,615,000)
As at 31 December	4,003,158,936	5,673,105,001

(See the next page)

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.13. Owners' equity****4.13.1. Changes in owners' equity**

	Items of owners' equity				Total VND
	Owners' contributed capital VND	Development investment fund VND	Other fund VND	Retained earnings VND	
As at 01 Jan. 2023	15,182,180,000	19,299,463,130	1,518,200,000	20,435,893,194	56,435,736,324
Previous year's capital increase	15,182,180,000	(15,182,180,000)	-	-	-
Previous year's profits	-	-	-	16,468,647,332	16,468,647,332
Distributed Development investment fund for the year 2023	-	2,470,297,100	-	(2,470,297,100)	-
Distributed Bonus and welfare fund for the year 2023	-	-	-	(3,284,356,520)	(3,284,356,520)
Dividend for the year 2022	-	-	-	(5,313,763,000)	(5,313,763,000)
As at 01 Jan. 2024	30,364,360,000	6,587,580,230	1,518,200,000	25,836,123,906	64,306,264,136
Current year's profits	-	-	-	8,849,948,307	8,849,948,307
Additional distributed Development investment fund for the year 2023 (*)	-	12,470,297,100	-	(12,470,297,100)	-
Distributed Development investment fund for the year 2024 (*)	-	2,212,487,077	-	(2,212,487,077)	-
Distributed Bonus and welfare fund for the year 2024 (*)	-	-	-	(1,665,990,695)	(1,665,990,695)
Dividend for the year 2023 (*)	-	-	-	(4,554,654,000)	(4,554,654,000)
As at 31 Dec. 2024	30,364,360,000	21,270,364,407	1,518,200,000	13,782,643,341	66,935,567,748

(*) Distribution of profits, funds, and dividends for the year 2023 and 2024 according to the Resolution of the Annual General Meeting of Shareholders No. 02/NQ-SDN/DHCĐ2024 dated 10 April 2024.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.13.2. Details of owners' equity**

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Sonadezi Corporation	9,110,880,000	9,110,880,000
Capital contributed by others	21,253,480,000	21,253,480,000
Total	30,364,360,000	30,364,360,000

4.13.3. Shares

	As at 31 Dec. 2024	As at 01 Jan. 2024
Number of ordinary shares registered for issue	3,036,436	3,036,436
Number of ordinary shares sold to public	3,036,436	3,036,436
Number of ordinary shares outstanding	3,036,436	3,036,436

Par value per outstanding share: VND 10,000 per share.

4.13.4. Basic and diluted earnings per share

	Year 2024 VND	Year 2023 VND
Profit after tax attributable to ordinary share holders	8,849,948,307	16,468,647,332
Distribution to Bonus and welfare fund (*)	(1,665,990,695)	(3,284,356,520)
Earnings for the purpose of calculating basic and diluted earnings per share	7,183,957,612	13,184,290,812
Weighted average number of ordinary shares outstanding during the year (**)	3,036,436	3,036,436
Basic and diluted earnings per share	2,366	4,342

(*) Bonus and welfare fund deducted when calculating basic and diluted earnings per share in year 2024 which is provisionally calculated.

(**) Weighted average number of ordinary shares outstanding during the year was calculated as follows:

	Year 2024	Year 2023
Ordinary shares outstanding at the beginning of year	3,036,436	1,518,218
Impact of 1,518,218 ordinary shares issued on 27 October 2023 from development investment fund is adjusted to increase according to the regulation of Vietnamese Accounting Standard No. 30	-	1,518,218
Weighted average number of ordinary shares outstanding during the period	3,036,436	3,036,436

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province,
Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.13.5. Dividends**

	Year 2024 VND	Year 2023 VND
Opening balance	-	-
Dividends payable	4,554,654,000	5,313,763,000
Dividends paid of ordinary shares (*)	(4,554,654,000)	(5,313,763,000)
Ending balance	-	-
(*) Of which, dividends paid to related parties – Refer to Note 8	(1,630,584,000)	(1,922,298,000)

4.12.6. Corporate funds

	Development investment fund VND	Other funds VND
As at 01 Jan. 2024	6,587,580,230	1,518,200,000
Distributed in year	14,682,784,177	-
As at 31 Dec. 2024	21,270,364,407	1,518,200,000

4.14. Off statement of financial position items

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Leased assets: Total minimum amount of irrevocable operating leases classified by term:		
Within one year	283,953,928	283,953,928
Later than one year but within five years	686,252,061	686,252,061
Later than five years	2,470,507,420	2,745,008,244
Total	3,440,713,409	3,715,214,233
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND

Doubtful debts written off:

Written off according to Board of Directors Resolution dated 23 July 2013	333,886,504	333,886,504
Written off according to Board of Directors Resolution dated 31 July 2015	1,111,934,750	1,111,934,750

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT****5.1. Revenue from selling goods and rendering services**

	Year 2024 VND	Year 2023 VND
Sale of goods	96,432,342,903	91,728,002,636
Sale of paint processing	28,044,010,882	24,662,572,562
Total	124,476,353,785	116,390,575,198
Of which, the revenue from selling goods and rendering services to related parties – Refer to Note 8	12,121,850	42,250,975

5.2. Deductions

	Year 2024 VND	Year 2023 VND
Trade discounts	4,287,951,045	4,639,430,908
Sales returns	540,431,200	1,215,706,684
Total	4,828,382,245	5,855,137,592

5.3. Cost of sales

	Year 2024 VND	Year 2023 VND
Cost of merchandise sold	64,157,649,313	61,089,475,621
Cost of paint processing	20,569,025,905	18,923,743,680
Total	84,726,675,218	80,013,219,301

5.4. Finance income

	Year 2024 VND	Year 2023 VND
Gains from realized exchange differences	19,878,234	12,571,500
Deposit interest	13,516,675	24,075,802
Income from liquidation and sale of financial investments	-	10,208,925,000
Total	33,394,909	10,245,572,302

The finance income this year has significantly decreased compared to the previous year because the Company sold all its shares in Sonadezi Chau Duc Joint Stock Company last year and recorded a profit of VND 10.2 billion.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.5. Finance expense**

	Year 2024 VND	Year 2023 VND
Payment discounts	3,282,241,695	3,387,377,360
Interest expense	1,054,595,433	1,386,022,332
Provision for decline in value of investment impairment loss	103,952,457	-
Losses from exchange differences	30,141,407	19,506,827
Total	4,470,930,992	4,792,906,519

5.6. Selling expense

	Year 2024 VND	Year 2023 VND
Material and packaging expense	1,153,328,667	1,129,422,181
Depreciation expense	70,400,796	52,144,074
Trade promotion expenses	4,234,829,938	2,411,264,611
Rendered services expenses	516,963,719	516,894,403
Sundry expenses in cash	2,484,822,938	2,622,452,764
Total	8,460,346,058	6,732,178,033

The selling expenses this year have increased by approximately 26% compared to previous year, mainly due to the Company's intensified trade promotion activities, including promotions and advertising.

5.7. General and administrative expense

	Year 2024 VND	Year 2023 VND
Employee expenses	6,257,651,563	6,086,652,891
Material expenses	557,623,616	544,173,243
Office stationery expenses	112,243,172	99,451,661
Depreciation expense	278,573,878	298,715,544
Taxes, fees and charge	98,860,439	129,246,573
Infrastructure usage expenses	3,220,514,333	700,000,000
Provision for doubtful debts	98,053,183	23,984,816
Rendered services expenses	571,867,115	498,063,789
Sundry expenses in cash	3,113,235,011	3,509,110,542
Total	14,308,622,310	11,889,399,059

The general and administrative expenses this year have increased by more than 20% compared to previous year, mainly due to the Company's additional recognition of infrastructure usage costs from previous years.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.8. Other income**

	Year 2024 VND	Year 2023 VND
Income from warehouse leasing and management	3,169,204,884	3,150,530,048
Income from surplus materials and goods	616,252,780	972,882,885
Other income	238,870,674	190,318,073
Total	<u>4,024,328,338</u>	<u>4,313,731,006</u>

5.9. Production and business costs by element

	Year 2024 VND	Year 2023 VND
Material expenses	54,947,078,066	51,607,332,283
Employee expense	27,523,405,204	25,271,492,405
Depreciation expense	692,121,772	1,022,192,994
Provision for doubtful debts	98,053,183	23,984,816
Rendered services expenses	13,529,006,807	10,152,436,678
Sundry expenses in cash	8,939,032,721	6,947,404,698
Total	<u>105,728,697,753</u>	<u>95,024,843,874</u>

5.10. Current corporate income tax expense

CIT expense calculated on the taxable income of the current year is determined as follows:

	Year 2024 VND	Year 2023 VND
Accounting profit before tax for the year	11,156,440,413	20,749,786,533
Add: Adjustments according to CIT law	789,446,044	1,769,335,396
Less: Adjustments according to CIT law	(413,425,926)	(413,425,926)
Taxable income from business activities	11,532,460,531	22,105,696,003
Current CIT rate	20%	20%
Current CIT expense from business activities	2,306,492,106	4,421,139,201
Current CIT expense for the year	<u>2,306,492,106</u>	<u>4,421,139,201</u>

The adjustments for the increases (decreases) in the taxable income are mainly non – tax – deductible items as regulated by CIT law, such as:

- Expenses without invoices and vouchers;
- Accrual expenses without invoice;
- Remuneration of non-operational Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT****6.1. Cash receipts from loans in the year**

	Year 2024 VND	Year 2023 VND
Cash receipts from loans under normal contracts	37,047,284,257	36,207,347,768

6.2. Cash repayments of principal amounts borrowed

	Year 2024 VND	Year 2023 VND
Cash repayment of principal amounts under normal contracts	(35,619,021,237)	(42,071,764,871)

(See the next page)

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**7. SEGMENT REPORTING**

For management purposes, the Company is organised on a nation - wide basis into the following manufacturing sector::

- Paint production;
- Paint processing.

For the financial year ended 31 December 2024

	Paint production		Paint processing		Total	
	Year 2024 VND	Year 2023 VND	Year 2024 VND	Year 2023 VND	Year 2024 VND	Year 2023 VND
Revenue						
External sales	91,603,960,658	85,872,865,044	28,044,010,882	24,662,572,562	119,647,971,540	110,535,437,606
Total	91,603,960,658	85,872,865,044	28,044,010,882	24,662,572,562	119,647,971,540	110,535,437,606
Result						
Segment result	7,636,018,819	9,719,327,079	4,516,309,135	2,181,314,134	12,152,327,954	11,900,641,213
Financial income					33,394,909	10,245,572,302
Financial expense					(4,470,930,992)	(4,792,906,519)
Other income					4,024,328,338	4,313,731,006
Other expense					(582,679,796)	(917,251,469)
Profit before tax					11,156,440,413	20,749,786,533
Income tax expense					(2,306,492,106)	(4,281,139,201)
Net profit					8,849,948,307	16,468,647,332



DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SEGMENT REPORTING (CONTINUED)

Other information

	Paint production		Paint processing		Total	
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Segment assets	42,771,604,726	39,259,281,503	6,122,027,377	5,260,787,282	48,893,632,103	44,520,068,785
Unallocated assets					60,439,125,602	60,638,158,390
Total assets					109,332,757,705	105,158,227,175

	Paint production		Paint processing		Total	
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Segment liabilities	31,065,172,551	31,031,238,468	-	-	31,065,172,551	31,031,238,468
Unallocated liabilities					11,332,017,406	9,820,724,571
Total liabilities					42,397,189,957	40,851,963,039

	Paint production		Paint processing		Total	
	Year 2024 VND	Year 2023 VND	Year 2024 VND	Year 2023 VND	Year 2024 VND	Year 2023 VND
Cost of purchasing assets	424,772,144	132,307,000	-	-	424,772,144	132,307,000
Depreciation expense	504,564,635	808,845,642	187,557,137	213,347,352	692,121,772	1,022,192,994

There is no segment reporting according to the geographical area as the operation of the Company is mainly in Dong Nai Province, so there is no difference in risk and economic benefits which are necessary to be disclosed.

DONGNAI PAINT CORPORATION

Address: Bien Hoa 1 Industrial Park, Road No. 7, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**8. RELATED PARTIES**

No.	List of related parties	Relationship
1.	Sonadezi Corporation	Significant influence shareholder
2.	Sonadezi Enviroment Joint Stock Company	Fellow company
3.	Sonadezi Services Joint Stock Company	Fellow company
4.	Dong Nai Water Joint Stock Company	Fellow company
5.	Thien Nhat Thien Company Limited	The company has the same key management personnel
6.	Phuong Dong Company Limited	The company has the same key management personnel
7.	Board of Directors, management, and Supervisory Committee	Key management personnel

During the reporting year, the Company has had related party transactions as follows:

	Year 2024 VND	Year 2023 VND
Rendering services – Refer to Note 5.1:		
Phuong Dong Company Limited	12,121,850	42,250,975
	Year 2024 VND	Year 2023 VND
Purchasing and receiving services:		
Sonadezi Corporation	240,466,263	238,616,850
Dong Nai Water Joint Stock Company	108,420,000	104,761,000
Sonadezi Enviroment Joint Stock Company	46,000,000	48,280,000
Sonadezi Services Joint Stock Company	29,147,479	26,776,035
Thien Nhat Thien Company Limited	-	2,478,314,325
Total	424,033,742	2,896,748,210
	Year 2024 VND	Year 2023 VND
Dividends paid:		
Sonadezi Corporation	1,366,632,000	1,594,404,000
Mr Nguyen Pham Thuyen	12,000,000	14,000,000
Mr Nguyen Duc Nhen	19,800,000	23,100,000
Mr Dao Dinh De	227,052,000	284,844,000
Ms Vu Nguyen Thi Hanh	5,100,000	5,950,000
Total – Refer to Note 4.13.5	1,630,584,000	1,922,298,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**8. RELATED PARTIES (CONTINUED)**

Remunerations of the Board of Directors, the management, and the Supervisory Committee are as follows:

Name	Position	Year 2024 VND	Year 2023 VND
Mr Nguyen Pham Thuyen	Chairperson cum Vice General Director	590,245,000	541,345,000
Mr Nguyen Duc Nhlen	Vice chairperson cum General Director	634,547,000	580,679,000
Mr Dao Dinh De	Member of the Board of Directors	113,992,000	112,592,000
Mr Tran Trung Kien	Member of the Board of Directors	113,992,000	112,592,000
Ms Vu Nguyen Thi Hanh	Member of the Board of Directors	113,992,000	101,692,000
Ms Huynh Nguyen Thanh Uyen	Vice General Director	433,389,000	382,256,000
Ms Dang Le Bich Phuong	Head of Supervisory Committee	113,992,000	112,592,000
Ms Bui Thi Thuy Lien	Member of Supervisory Committee	64,996,000	64,396,000
Ms Trinh Thi Ngoc Huong	Member of Supervisory Committee	64,996,000	64,396,000
Total		2,244,141,000	2,072,540,000

9. COMMITMENT UNDER OPERATING LEASES

The Company rents land and factories under operating leases. The leases are for an average period of 48 years, with fixed rentals over the same year.

	Year 2024 VND	Year 2023 VND
Payments under operating leases recognised as an expense in the year	238,616,850	238,616,850
As at 31 December 2024, the Company has outstanding commitments under non-cancellable operating leases that fall due as follows:		
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Within one year	283,953,928	283,953,928
Later than one year but within five years	686,252,061	686,252,061
Later than five years	2,470,507,420	2,745,008,244
Total	3,440,713,409	3,715,214,233

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The following comparative figures have been restated:

Financial statement notes (excerpted):

	As at 01 Jan. 2024 VND (Reclassified)	As at 31 Dec. 2023 VND (As previously reported)
Inventories:		
Raw materials	7,019,906,889	7,019,906,889
Tools and supplies	778,608,147	778,608,147
Semi-finished goods	625,902,809	-
Finished goods	13,197,535,549	13,823,438,358
Merchandise	2,109,622	2,109,622
Total	21,624,063,016	21,624,063,016

The restatement for notes of inventory items is to align with the presentation of the financial statements for the current financial period. The management believes that the restatement will provide useful information to the users of the financial statements.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



Nguyen Duc Nhien
General Director

Huynh Thi Thanh Huong
Chief Accountant

Nguyen Bac Trung
Preparer

Dong Nai Province, 20 February 2025