

**HAI PHONG PAINT JOINT STOCK COMPANY**  
**AUDITED SEPARATE FINANCIAL STATEMENTS**  
**For the year ended 31/12/2023**

**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam

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**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b>Pages</b>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	2 - 3
INDEPENDENT AUDITORS' REPORT	4 - 5
SEPARATE AUDITED FINANCIAL STATEMENTS	
Separate Balance Sheet	6 - 7
Separate Income Statement	8
Separate Cash flow Statement	9
Notes to the Separate Financial Statements	10 - 40



## **HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam.

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### **STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Hai Phong Paint Joint Stock Company presents this report together with the Company's audited separate financial statements for the year ended 31<sup>st</sup> December 2023.

#### **THE COMPANY**

Hai Phong Paint Joint Stock Company ("The Company") was established under Decision 3419/QĐ-UB dated 26/12/2003 by Hai Phong People's Committee on conversion of Hai Phong Paint Company into Hai Phong Paint Joint Stock Company; Business Registration Certificate No. 0203000681 (New code is 02000575580) dated 02/01/2004 ) issued by Department of Planning and Investment of Hai Phong; during the operation, the Company has changed its Business Registration Certificate; and the ninth change was on 26 April 2018 on the addition of business lines.

The Company's chartered capital under Business Registration Certificate No 020057558 dated 26/4/2018: VND 80,071,770,000 (*Eighty billion, seventy-one million, seven hundred and seventy thousand dong*).

Company name: **HAIPHONG PAINT JOINT STOCK COMPANY.**

Foreign Name: HAIPHONG PAINT JOINT STOCK COMPANY.

Abbreviations: HAIPHONGPAINT.

The Company's shares are traded on the Unlisted Public Company Market - UpCOM with code HPP.

Registered Address: No. 12 Lach Tray, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam.

#### **BOARDS OF MANAGEMENT, SUPERVISORS AND GENERAL DIRECTORS**

Members of Boards of Management, Supervisors and General Directors who held the Company during the year and at the date of this report are as follows:

##### **Board of Management**

Mr. Nguyen Van Vien	Non-executive Chairman
Mr. Nguyen Van Dung	Vice Chairman
Mr. Vu Trung Dung	Member
Mrs. Bui Kim Ngoc	Member
Mr. Nguyen Mong Lan	Non-executive members

##### **Board of Supervisors**

Mrs. La Quynh Chi	Head of Board of Supervisors
Mrs. Nguyen Thi Thanh Tam	Member
Mrs. Hoang Thi Thu	Member

##### **Board of General Directors**

Mr. Nguyen Van Dung	Chief Executive Officer
Mr. Vu Trung Dung	Deputy General Director
Mrs. Bui Kim Ngoc	Deputy General Director

**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward, Ngo Quyen District, Hai Phong City, Vietnam.

**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

**SUBSEQUENT EVENTS**

According to the Board of General Directors, in all material respects, there have been no other significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments to or disclosures to be made in the separate financial statements for the year ended 31<sup>st</sup> December 2023.

**AUDITORS**

The Company's separate financial statements for the year ended 31<sup>st</sup> December 2023 have been audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT.

**RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS**

The Company's Board of General Directors is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31/12/2023 as well as of its income and cash flows statements for the year then ended. In preparing these separate financial statements, the Board of General Directors is required to:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the Accounting Standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Separate Financial Statements;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Separate Financial Statements are free from material misstatements due to frauds or errors;
- Prepare the Separate Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the separate financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the separate financial statements. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing the separate financial statements.

For and on behalf of the Board of General Directors,



**Nguyen Van Dung**

**General Director**

*Hai Phong, March 21, 2024*



**Head Office in Hanoi:**

8<sup>th</sup> floor, VG Building, No. 235 Nguyen Trai Str.,  
Thanh Xuan Dist., Hanoi, Vietnam

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No: 142/2024/BCKT-CPA VIETNAM-NV2

**INDEPENDENT AUDITORS' REPORT**

**To: Shareholders  
Boards of Management, Supervisors and General Directors  
Hai Phong Paint Joint Stock Company**

We have audited the accompanying separate financial statements of Hai Phong Paint Joint Stock Company as set out on pages 06 to page 40, prepared on 21/3/2024 including the separate Balance sheet as at 31/12/2023, and the separate Income Statement, and separate Cash flows Statement for the year then ended, and Notes to the separate financial statements.

**Responsibility of the Board of General Directors**

The Company's Board General of Directors is responsible for the true and fair preparation and presentation of these separate financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for the internal control as the Board of General Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibility of Auditors**

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These Standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Company's separate financial statements are there any significant errors or not.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the separate financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design appropriate audit procedures to the actual situation, which is not intended to give an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion of Auditors**

In our opinion, the accompanying separate financial statements gives a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2023 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the separate financial statements in Vietnam.



*[Handwritten signature in blue ink]*

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**Nguyen Thi Mai Hoa**  
**Deputy General Director**  
Certificate of registration of auditing practice  
No: 2326-2023-137-1

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**Nguyen Thi Tien**  
**Auditor**  
Certificate of registration of auditing practice  
No: 5276-2021-137-1

*Authorised: 08/2024/UQ-CPA VIETNAM dated 02/01/2024 of Chairman, General Director*

For and on behalf of  
**CPA VIETNAM AUDITING COMPANY LIMITED**

**A member firm of INPACT**

*Hanoi, March 21, 2024*

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## SEPARATE BALANCE SHEET

As at 31<sup>st</sup> December 2023

ASSET	Code	Note	31/12/2023	01/01/2023
			VND	VND
<b>A - CURRENT ASSET</b> (100=110+120+130+140+150)	<b>100</b>		<b>784,725,522,587</b>	<b>766,002,047,053</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5.1</b>	<b>106,485,889,010</b>	<b>46,564,040,193</b>
1. Cash	111		20,985,889,010	20,064,040,193
2. Cash equivalents	112		85,500,000,000	26,500,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>118,910,433,750</b>	<b>129,888,313,750</b>
3. Held to maturity investments	123	5.2	118,910,433,750	129,888,313,750
<b>III. Other short term receivables</b>	<b>130</b>		<b>379,277,167,332</b>	<b>400,046,298,115</b>
1. Receivables from customer	131	5.3	257,935,367,360	298,699,240,237
2. Advances to supplier	132	5.4	56,309,016,947	50,902,282,547
6. Other short term receivables	136	5.5	69,142,997,427	53,382,158,319
7. Provision for bad short-term receivables	137	5.6	(4,110,214,402)	(2,937,382,988)
<b>IV. Inventories</b>	<b>140</b>		<b>178,220,208,839</b>	<b>187,755,605,557</b>
1. Inventories	141	5.7	178,220,208,839	187,755,605,557
<b>V. Other current assets</b>	<b>150</b>		<b>1,831,823,656</b>	<b>1,747,789,438</b>
1. Short term prepaid expenses	151	5.8	1,811,711,229	1,378,222,000
3. Tax and amount receivables from State budget	153	5.12	20,112,427	369,567,438
<b>B - NON-CURRENT ASSETS</b> (200=220+240+250+260)	<b>200</b>		<b>295,490,928,519</b>	<b>309,720,059,327</b>
7. Long-term allowances for doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>67,445,204,743</b>	<b>76,726,860,633</b>
1. Tangible fixed assets	221	5.9	66,844,996,413	76,726,860,633
- Cost	222		210,207,450,292	208,849,333,815
- Accumulated depreciation	223		(143,362,453,879)	(132,122,473,182)
3. Intangible fixed assets	227	5.10	600,208,330	-
- Cost	228		2,453,203,000	1,783,203,000
- Accumulated amortization	229		(1,852,994,670)	(1,783,203,000)
<b>IV. Long-term Construction in progress</b>	<b>240</b>		<b>-</b>	<b>3,917,814,918</b>
2. Construction in progress	242	5.11	-	3,917,814,918
<b>V. Long-term financial investments</b>	<b>250</b>		<b>226,782,623,776</b>	<b>226,782,623,776</b>
1. Investment in the subsidiary	251	5.2	17,052,000,000	17,052,000,000
2. Investment in the associated and joint-venture companies	252	5.2	153,554,500,000	153,554,500,000
3. Investment in intities	253	5.2	50,911,283,776	50,911,283,776
4. Provision for long term investment devaluation	254	5.2	(7,735,160,000)	(7,735,160,000)
5. Held to maturity investments	255	5.2	13,000,000,000	13,000,000,000
<b>VI. Other non-current asset</b>	<b>260</b>		<b>1,263,100,000</b>	<b>2,292,760,000</b>
1. Long term prepaid expenses	261	5.8	1,263,100,000	2,292,760,000
<b>TOTAL ASSETS (270 = 100+200)</b>	<b>270</b>		<b>1,080,216,451,106</b>	<b>1,075,722,106,380</b>

## SEPARATE BALANCE SHEET (Continued)

As at 31<sup>st</sup> December 2023

RESOURCES	Code	Note	31/12/2023	01/01/2023
			VND	VND
<b>C- LIABILITIES (300=310+330)</b>	<b>300</b>		<b>617,455,917,375</b>	<b>662,533,594,085</b>
<b>I. Short term liabilities</b>	<b>310</b>		<b>617,455,917,375</b>	<b>661,427,726,147</b>
1. Trade account payables	311	5.12	81,196,730,287	149,905,681,355
2. Advances from customers	312	5.13	486,801,694	2,270,889,725
3. Taxes and other payables to State budget	313	5.14	6,503,022,087	2,748,531,107
4. Payables to employees	314		9,748,025,149	2,619,182,814
5. Short-term accrued expenses	315	5.15	10,513,508,278	8,950,166,687
9. Other short-term payables	319	5.16	14,971,738,086	15,506,202,870
10. Short-term loans and liabilities	320	5.17	506,090,371,161	487,252,787,299
12. Bonus and welfare funds	322		(12,054,279,367)	(7,825,715,710)
<b>II. Long-term liabilities</b>	<b>330</b>		<b>-</b>	<b>1,105,867,938</b>
8. Long-term financial loans and liabilities	338	5.17	-	1,105,867,938
<b>D- OWNERS' EQUITY (400 = 410+430)</b>	<b>400</b>		<b>462,760,533,731</b>	<b>413,188,512,295</b>
<b>I- Owners' equity</b>	<b>410</b>	<b>5.18</b>	<b>462,760,533,731</b>	<b>413,188,512,295</b>
1. Paid in capital	411		80,071,770,000	80,071,770,000
- Common share with voting right	411a		80,071,770,000	80,071,770,000
2. Share premium	412		10,787,152,766	10,787,152,766
3. Other capital	414		7,250,586,886	7,250,586,886
4. Treasury stock	415		(467,410,000)	(467,410,000)
7. Investment and development funds	418		276,656,250,094	276,656,250,094
10. Retained earnings	421		88,462,183,985	38,890,162,549
- Retained earnings of this period	421b		88,462,183,985	38,890,162,549
<b>II- Other resources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>		<b>1,080,216,451,106</b>	<b>1,075,722,106,380</b>

Preparer

Doan Thi Dung

Deputy Manager of Accountant  
and Finance Department

Doan Thi Dung

Hai Phong, 21<sup>st</sup> March, 2024

General Director



Nguyen Van Dung



## SEPARATE INCOME STATEMENT

For the year ended 31<sup>st</sup> December 2023

ITEMS	Code	Note	In 2023	In 2022
			VND	VND
1. Gross sales of goods and services	01	6.1	1,068,828,797,654	1,003,166,996,471
2. Revenue deductions	02	6.1	-	365,969,835
3. Net sales of goods and services (10 = 01-02)	10	6.1	1,068,828,797,654	1,002,801,026,636
4. Cost of goods sold	11	6.2	866,638,231,341	864,367,653,497
<b>5. Gross profit from sales of goods and services (20 = 10-11)</b>	<b>20</b>		<b>202,190,566,313</b>	<b>138,433,373,139</b>
6. Financial income	21	6.3	13,788,778,496	15,069,256,266
7. Financial expenses	22	6.4	36,658,118,603	35,474,718,386
<i>In which: Interest expenses</i>	23		<i>29,519,612,362</i>	<i>18,821,559,273</i>
8. Selling expenses	25	6.5	61,769,927,926	53,059,482,432
9. General and administration expenses	26	6.5	26,955,822,918	19,751,579,132
<b>10. Operating profit {30 = 20+(21-22)-(25+26)}</b>	<b>30</b>		<b>90,595,475,362</b>	<b>45,216,849,455</b>
11. Other income	31	6.6	1,157,021,801	372,733,840
12. Other expenses	32	6.6	895,411,484	117,609,363
<b>13. Profit from other activities (40 = 31-32)</b>	<b>40</b>	<b>6.6</b>	<b>261,610,317</b>	<b>255,124,477</b>
<b>14. Accounting profit before tax (50 = 30+40)</b>	<b>50</b>		<b>90,857,085,679</b>	<b>45,471,973,932</b>
15. Current income tax expense	51	6.7	8,541,504,674	6,581,811,383
16. Deferred tax income/(expense)	52		-	-
<b>17. Profit after tax(60 = 50-51-52)</b>	<b>60</b>		<b>82,315,581,005</b>	<b>38,890,162,549</b>

Preparer



Doan Thi Dung

Deputy Manager of Accountant  
and Finance Department


Doan Thi Dung

Hai Phong, 21<sup>st</sup> March, 2024

General Director



  
Nguyen Van Dung

## SEPARATE CASH FLOW STATEMENT

(Indirect method)

For the year ended 31<sup>st</sup> December 2023

ITEMS	Code	Note	In 2023	In 2022
			VND	VND
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		90,857,085,679	45,471,973,932
2. Adjustments for				
- Depreciation and amortization	02		12,137,469,545	12,031,237,144
- Provisions	03		1,172,831,414	644,133,506
- Gain/loss from unrealized foreign exchange differences	04		(270,804,897)	(297,469,953)
- Gain, loss from investment activities	05		(12,003,175,437)	(13,770,385,172)
- Interest expenses	06		29,519,612,362	18,821,559,273
3. Operating profit before movements in working capital	08		121,413,018,666	62,901,048,730
- (Increase) decrease receivables	09		22,843,502,021	(106,310,067,068)
- (Increase) decrease inventories	10		9,560,802,670	(7,889,100,064)
- (Increase) decrease accounts payable	11		(63,141,484,388)	27,046,448,129
- (Increase) decrease prepaid expenses	12		596,170,771	(2,935,289,604)
- Interest paid	14		(29,843,092,387)	(17,790,359,273)
- Corporate Income Tax paid	15		(5,509,562,116)	(15,546,214,472)
- Other cash outflows	17		(10,025,215,188)	(13,702,906,406)
Net cash from operating activities	20		45,894,140,049	(74,226,440,028)
<b>II. Payments for acquisition, construction of fixed assets and other long-term assets</b>				
1. Purchase and construction of fixed assets and other long-term assets	21		(2,029,004,727)	(8,867,527,407)
2. Proceeds from disposals of fixed assets and other long-term assets	22		39,090,909	-
3. Payment for lending, purchasing debt instruments of other entities	23		-	(25,993,000,000)
4. Proceed from lending, re-selling debt instruments of other entities	24		10,977,880,000	28,043,000,000
5. Payments for investment in others entities	25		-	(3,880,500,000)
6. Cash back from capital contribution to other entities	26		-	1,800,000,000
7. Interest income, dividends received	27		9,076,385,908	9,444,813,954
Net cashflow from investing activities	30		18,064,352,090	546,786,547
<b>III. Cash flows from financing activities</b>				
3. Proceeds from borrowings	33		964,982,506,477	919,843,646,172
4. Payment to settle debts	34		(947,250,790,553)	(796,392,995,699)
6. Dividend and profit paid to equity owners	36		(21,874,062,225)	(20,853,352,950)
Net cashflow from financing activities	40		(4,142,346,301)	102,597,297,523
Net cashflow during the period (50 = 20+30+40)	50		59,816,145,838	28,917,644,042
Cash and cash equivalents at beginning of year	60		46,564,040,193	17,482,568,821
Effects of change in foreign exchange rate	61		105,702,979	163,827,330
Cash and cash equivalents at end of year (70 = 50+60+61)	70	5.1	106,485,889,010	46,564,040,193

Preparer

  
Doan Thi Dung
Deputy Manager of Accountant  
and Finance Department
  
Doan Thi Dung




**NOTE TO THE SEPARATE FINANCIAL STATEMENT**

For the year ended 31 December 2023

**1. COMPANY INFORMATION****1.1 Structure of ownership**

Hai Phong Paint Joint Stock Company was established under Decision No. 3419/ QĐ-UB dated 26 December 2003 by Hai Phong People's Committee on conversion of Hai Phong Paint Company into Hai Phong Paint Joint Stock Company; Business Registration Certificate No. 0203000681 (New code is 02000575580) issued by Department of Planning and Investment of Hai Phong dated 2 January 2004. During the operation, the Company has changed its Business Registration Certificate; and the ninth change was on 26 April 2018 on the addition of business lines.

Charter capital (Under Business Registration Certificate No. 02000575580 on 28/5/2015): VND 80,071,770,000 (*Eighty billion, seventy-one million, seven hundred and seventy thousand dong*).

The Company's shares are traded on the Unlisted Public Company Market - UpCOM with code HPP.

Company name: **HAI PHONG PAINT JOINT STOCK COMPANY.**

Foreign Name: HAI PHONG PAINT JOINT STOCK COMPANY.

Abbreviations: HAIPHONGPAINT.

Registered Address: No. 12 Lach Tray, Lach Tray Ward, Ngo Quyen District, Hai Phong.

The total number of the Company's employees as at 31/12/2023 is 189 employees (As at 31/12/2022 is 172 employees).

**1.2 Operating industries and principal activities**

Company's business lines according to the business registration:

- Production of paints, varnishes and similar paints; producing ink and mastics;
- Other specialized businesses which are not classified, details: Wholesale of ordinary chemicals (except for agricultural use);
- Wholesale of other construction materials and equipment, details: Paint production;
- Wholesale of other machineries, equipment and spare parts, details: Wholesale of industrial machineries, equipment and spare parts;
- Transporting goods by Road, details: Transporting goods by cars, container trucks, tank trucks tankers;
- Motor vehicle rental;
- Business or leased real estate, land use rights owned, used (including rental housing, offices, warehouses, factories);
- Transporting coastal and ocean passengers;
- Transporting road passengers in urban and suburban areas (except for bus transportation);
- Road passenger transport other (detail in Passenger transport by local and inter-provincial passenger cars, Passenger transport by cars by fixed route and by contract);
- Wholesale of other household appliances;
- Warehousing and storage of goods;
- Restaurants and mobile catering services, details: Restaurants, food shops and food stalls (excluding for bars);
- Short-stay services, details: Hotel;
- Travel agent;
- Other non-classified business support services, details: Export and import services;
- Producing products from Plastic;



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**1.2 Operating industry and principal activities (Continued)**

- Other professional, scientific and technological activities which had not been classified, details: Consulting services of technology transfer for production of paints, varnishes, detergents, polishes and sanitary preparations; Consultancy services for development assistance, enterprise brand protection, product brands;
- Research and develop natural science and engineering experiments;
- Activities of sports clubs;
- Wholesale food;
- Beverage service (excluding bar);
- Other support services related to transport./.

The Company's principal activities: Production of all kinds of paints.

**1.3. Normal operating cycle**

The Company's normal operating cycle is 12 months.

**1.4 The Company structure**

As at 31/12/2023, the Company has subsidiaries as follows:

Name	Address	Major business lines	Capital contribution ratio	Voting Ratio	Benefit ratio
<b>Investment in subsidiaries</b>					
Hai Phong Paint JSC No.2	Hai Phong	Producing and trading in paints of all kinds	51%	51%	51%
Phoenix Resin Company Limited	Hai Phong	Producing and trading in paints of all kinds	100%	100%	100%
<b>Investment joint-venture companies</b>					
Viet Nam Petrol Paint JSC	Ho Chi Minh City	Producing and trading in paints of all kinds	31,2%	31,2%	31,2%
VLC JSC	Hai Phong	Producing and trading in paints of all kinds	32%	32%	32%
Asian Real Estate, Paint And Chemicals JSC	Hai Phong	Producing and trading in paints of all kinds	26,6%	26,6%	26,6%
Samhwa Hai Phong Paint Limited Liability Company	Hai Phong	Producing and trading in paints of all kinds	50%	50%	50%
VLC Packaging Joint Stock Company	Binh Duong	Producing and trading in paints of all kinds	25%	25%	25%

**1.5 Statement of information comparability on the financial statements**

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 53/2016/TT-BTC on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22, 2014 issued by the Ministry of Finance. Therefore, the information and figures presented in the separate financial statements are comparable.

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**2. FISCAL YEAR AND ACCOUNTING CURRENCY****Fiscal year**

The Company's fiscal year applicable for the preparation of its financial statements starts on 1st January and ends on 31<sup>st</sup> December of solar year.

**Accounting currency**

The accompanying separate financial statements are expressed in Vietnam Dong (VND).

**3. ACCOUNTING STANDARDS AND SYSTEM****Accounting System**

The Company applied to Vietnamese Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT- BTC dated March 21, 2016 amending and supplementing a number of articles of Circular 200/2014/TT- BTC dated December 22, 2014.

**Statements for the compliance with Accounting Standards and System**

The Board of General Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Separate Financial Statements.

**Accounting form applied**

The company uses general journal accounting.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation of the separate financial statements**

The attached separate financial statements are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and legal regulations relevant to the preparation and presentation of separate financial statements.

The accompanying separate financial statements are the Company's one, therefore, they do not include the financial statements of subsidiaries. Users of the separate financial statements should read them together with the Company's consolidated financial statements for the year ended 31 December, 2023 to obtain full information of the Company's financial position as well as the results of operations and cash flows during the year.

The accompanying separate 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 jurisdiction other than Vietnam.

**Accounting estimates**

The preparation of separate financial statements in conformity with Vietnamese Standards on Accounting, Vietnamese Enterprise Accounting System and other prevailing accounting regulations in Vietnam requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Foreign exchange rates applied in accounting**Transactions in foreign currencies

Transactions in foreign currencies are translated at the rates ruling at the transaction date, foreign exchange differences arising from these transactions are recognized as income and expenses in the Separate Income Statement.

Revaluation of monetary items denominated in foreign currencies at the date of the separate financial statements:

- (i) The items denominated in foreign currencies are classified as assets (cash, receivables, ....):  
Revaluation under the buying rate of the bank, which the Company opens, its account as at 31/12/2023.
- (ii) The items denominated in foreign currencies are classified as liabilities (payable, debts, ....):  
Revaluation under the selling rate of the bank, which the Company opens, its account as at 31/12/2023.

Exchange rate differences, the account balance will be transferred to financial income or expense at the time of separate financial statements.

**Cash and cash equivalents**

Cash comprises cash on hand, bank deposits.

Cash equivalents comprise short-term deposits and highly liquid investments with an original maturity of less than 3 months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**Financial investments***Held to maturity investments*

Investments held to maturity are recorded starting from the date of purchase and are valued initially at the purchase price and the costs associated with the purchase of investments. Interest income from investments held up to maturity after the date of purchase is recognized on the Income Statement on a reserve basis. The interest enjoyed before the Holding Company is written down from the original price at the time of purchase.

Investments held to maturity are determined at cost minus bad receivables.

Provision for bad receivables of investments held up to maturity date shall be set aside in accordance with current accounting regulations.

*Investments in subsidiaries, associates and other investments*

Investments in subsidiaries over which the Company has control, investments in associates and joint ventures over which the Company has significant influence are stated at cost method in the separate financial statements.

Profit distributions that Company received from the accumulated profits of the subsidiaries after the Company obtains control right are recognized in income statement. Other distributions are considered a recovery of investment and are deducted to the investment value.

Profit distributions that Company received from the accumulated profits of the associates after the Company obtains control right are recognized in income statement. Other distributions are considered a recovery of investment and are deducted to the investment value.



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial investments (Continued)**

Investments in subsidiaries, joint ventures, associates and other investments are presented at cost less allowance for diminution in value (if any) in the balance sheet.

*Other investments* are recorded at cost, including purchase price plus directly attributable acquisition costs. After the initial recognition, these investments are measured at cost less allowance for diminution in value of investments.

**Allowance for loss of investments**

Allowance for losses of investments in subsidiaries, contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is apparent evidence for impairment in value of the investments as at the balance sheet date.

**Receivables**

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties.

**Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost of inventories comprise costs of direct materials, direct labor, and general operation (if any) incurred in bringing the inventories to their present location and conditions.

Net realizable value is the estimated selling price of inventory items less all estimated costs of completion and costs of marketing, selling and distribution. Inventories is accounted for according to the regular declaration method and the method of calculating the weighted average price.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the history cost of inventories.

**Tangible fixed assets and Depreciation**

Tangible fixed assets are stated at history cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

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

	<u>Years</u>
Buildings, structures	10 - 50
Machinery and equipment	10
Motor vehicles	10
Office equipment	06 - 10
Others	03 - 08

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible fixed assets and Amortization**

The Company's intangible fixed assets are informatics software and others are stated at history cost less accumulated amortization.

Historical costs of intangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

Intangible fixed assets are amortized on a straight-line basis over their estimated useful lives of 6 years.

**Prepaid expenses**

Prepaid expenses reflect the actual costs that have been incurred but are related to the results of production and business activities of many accounting periods. The Company's prepaid expenses include the following types of expenses: advertising costs, fixed asset repair costs, and paint formulation purchase costs. Advertising costs, The cost of repairing fixed assets is allocated to expenses not exceeding 12 months. The cost of repairing fixed assets, the cost of purchasing paint formulations is allocated to the cost not exceeding 36 months.

**Construction in progress**

Properties under construction for production, leasing, administration or for any other purpose are recognized at cost. This includes related service and interest expense in accordance with the Company's accounting policy. The depreciation calculation of these assets is applied in the same way as with other assets, starting from the time the asset is ready for use.

**Payables**

The account payables are monitored in details by payable terms, payable parties, original currency and other factors depending on the Company's management requirement.

The account payables include payables as trade payables, loans payable, intercompany payable and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: reflect payables of commercial nature arising from the purchase of goods, services, or assets, payables for import through trustees of which the seller is an independent entity with the Company, including payables between the parent company and its subsidiaries, joint ventures, associates.
- Other payables: reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

**Loans**

Includes loans, excluding loans in the form of the issuance of bonds or preferred stock that have a clause obligating the issuer to redeem it at a certain time in the future.

The Company monitors loans amounts and financial liabilities in details by each type and classifies them into short-term and long-term according to repayment term.

Expenses directly related to the loan are recognized to financial expenses, except for expenses incurred from a separate loan for investment, construction or production in progress, which are capitalized according to Accounting Standard "Borrowing costs".

**Recognition and capitalization of Borrowing costs**

All other borrowing costs are recognised in the Income statement when incurring, except for the borrowing cost capitalized under Vietnamese Accounting Standards "Borrowing cost".



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Accrued expenses**

Accrued expenses are those already recorded in operating expenses in the period/year but not actually paid to ensure that when these expenses actually occur, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

The Company recognizes Accrued expenses as follows:

- Interest expense accruals, royalty expenses: accrued according to the contract execution time.

**Owners' equity**

Capital is recorded according to the actual amounts invested by shareholders.

Retained earnings determined on the basis of profit after corporate income tax and the distribution of profits or settlement of losses of the Company.

Profit after tax of the Company is used to pay dividends to shareholders after having the approval of the Shareholders at the Annual General Meeting and after allocations to the reserve fund under the Company's Charter.

Capital surplus is recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue, or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Other sources of capital are due to the supplementation from business profits, revaluation of assets and net carrying values between the fair values of the assets gifted or granted to the Company after deducting taxes payable (if any) related to these assets.

Treasury shares are recorded at purchase price and presented as a reduction in owners' equity on the balance sheet.

Official dividends are announced and paid in the following year from undistributed earnings based on the approval of the Shareholders' Council at the Company's Annual General Meeting.

**Revenue recognition, other income**

The Company's revenue includes sales of products and goods that are paints of all kinds.

*Revenue from sale of goods shall be recognized when it satisfies all the five (5) conditions below:*

- The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- Costs related to transactions can be determined.

***Revenue from interest income, dividends and profits received and other income***

The revenue is recognized when the Company can obtain economic benefits from the above activities and when it is reliably measured.



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Revenue deductions**

Revenue deductions include:

- Sales returns: due to violations of commitment or economic contracts, bad qualified product, incorrect type or specification.

In case the products, goods sold or services provided from the previous period, but sales discounts, sales allowance and sale return incurred in this period, then the Company recognizes as the following principles:

- If incurred before issuance of interim financial statements: reducing revenue in the financial statements of interim reporting period.
- If incurred after the issuance of the interim financial statements of: reducing revenue of the occurrence period.

**Cost of goods sold**

Cost of goods sold including of cost of products, goods and services (including depreciation, repair expenses; etc.) are recognized in accordance with revenue in the year.

For the cost of direct materials consumed exceeds normal levels, labour costs, fixed general administration expense which are not allocated to finished goods will be recognized in cost of sales (after minus the amount of compensation, if any) even if the goods have not been determined to be consumed.

**Financial expenses**

Financial expenses reflect expenses incurred during the period, which mainly include:

- Borrowing cost: Recorded monthly based on the loan principles, the interest rate and number of actual borrowing days.
- The expense of foreign exchange losses: is recognized when there is a difference between the actual exchange rate and the exchange rate recorded in accounting books and when there were incurred when the revaluation of monetary items denominated in foreign currencies.

**Current corporate income tax and deferred tax expenses**

Enterprise income tax expense (or income tax income): is the total current income tax expense (or current income tax income) when determining the profit or loss of a year.

- Current corporate income tax expense: is the amount of corporate income tax payable based on taxable income in the year and current corporate income tax rate. Current income tax is calculated based on taxable income and applicable tax rates in the tax period. The taxable income difference from the accounting profit is due to the adjustment of the difference between accounting profit and taxable income according to the current tax policy.
- The company was granted the Certificate of Science and Technology Enterprise No. 06/DNKHCN dated September 18, 2015. Therefore, the Company enjoys the CIT incentives as follows: Enjoy the preferential tax rate of 10% for a period of fifteen (15) years and be exempt from CIT for four (4) years, reduce 50% of the CIT amount payable within nine (9) years Continued with the principles of the Law on CIT and Official Letter No. 2173/CT-TT&HT dated September 21, 2016 of Hai Phong Tax Department on tax policy explanation.

The company is entitled to a 50% corporate income tax reduction until the end of 2028, so the company is enjoying tax incentives with a tax rate of 10%. For yacht leasing activities, the Company is obliged to pay corporate income tax at the rate of 20% on taxable income.

The determination of the Company's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the examination results of the competent tax authorities.

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Related parties**

A party is considered a related party of the Corporation in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of relationship is focused more than its legal form.

**Segment reporting**

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or related services (by business segment) or in providing products or services within a particular economic environment (geographical area) which is subject to risks and returns that are different from those of other segments. The Board of Management believes that the main activity of the Company is construction and installation and mainly operates in a segment according to the geographical area of Vietnam. Therefore, the Company does not present segment reports by business segments and by geographical segments in accordance with Vietnamese Accounting Standard No. 28 - Segment Reporting.

**5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE BALANCE SHEET****5.1 Cash and cash equivalents**

	31/12/2023	01/01/2023
	VND	VND
Cash	3,310,210,914	2,664,275,559
Cash at bank	17,675,678,096	17,399,764,634
Cash equivalent	85,500,000,000	26,500,000,000
- <i>Deposits with term less than 3 months</i>	<i>85,500,000,000</i>	<i>26,500,000,000</i>
<b>Total</b>	<b>106,485,889,010</b>	<b>46,564,040,193</b>

(\*): This is the savings deposit at the joint stock commercial banks the Company has bank accounts.

**5.2 Financial investments****a. Held to maturity investments**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Cost	Book Value	Cost	Book Value
<b>Short term</b>	<b>118,910,433,750</b>	<b>118,910,433,750</b>	<b>129,888,313,750</b>	<b>129,888,313,750</b>
- Held to maturity investments	118,910,433,750	118,910,433,750	129,888,313,750	129,888,313,750
<b>Long term</b>	<b>13,000,000,000</b>	<b>13,000,000,000</b>	<b>13,000,000,000</b>	<b>13,000,000,000</b>
- Bonds (**)	13,000,000,000	13,000,000,000	13,000,000,000	13,000,000,000
<b>Total</b>	<b>131,910,433,750</b>	<b>131,910,433,750</b>	<b>142,888,313,750</b>	<b>142,888,313,750</b>



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.2 Financial investments (Continued)**

(\*\*): (1) Certificate of ownership of Vietnam Joint Stock Commercial Bank for Industry and Trade's bonds issued in 2020 and maturing in 2030 (Code: CTG2030T2/01-542); Quantity: 50,000 bonds as at 30/07/2020, Par value: VND 100,000/bond; bond maturity: 10 years, interest rate: apply for the entire 10 (ten) years is the floating rate and equal to the Reference Rate + 1.0% amplitude / year; form of bonds: Bonds are issued in the form of book entry. These bonds are being pledged and mortgaged at Vietnam Joint Stock Commercial Bank for Industry and Trade. Issue date: July 20, 2020 – maturity date: July 30, 2030.

(2) Certificate of ownership of Vietnam Bank for Agriculture and Rural Development issued on 24 December 2020 (Code: AGRIBANK202703); Quantity: 1,000 bonds as at 24/12/2020, Par value: VND 1,000,000/bond; Total: VND 1,000,000,000 (One billion VND), bond maturity: 7 years; interest rate applicable to the entire 07 years is the floating rate and equal to; (Interest rate = Reference rate + Amplitude, whereas: the annual addition amplitude rate for the first five years is 1.3% per year, the annual addition amplitude rate in the fifth year and seventh year each year is 1.5% per year; form of bonds: Registered bonds are issued in the form of booking entry. These bonds are being pledged and mortgaged at Vietnam Bank for Agriculture and Rural Development. Issue date: 24 December 2020, maturity date: 24 December 2027.

(3) Certificate of ownership of Vietnam Joint Stock Commercial Bank for Industry and Trade's bonds issued in 2021 and maturing in 2031 (Code: CTG2131T2); Quantity: 50,000 bonds as at 18/11/2021, Par value: VND 100,000/bond; bond maturity: 10 years, interest rate: apply for the entire 10 (ten) years is the floating rate and equal to the Reference Rate + 1.0% amplitude / year; form of bonds: Bonds are issued in the form of book entry.

+ Issuance date: 11/18/2021 - expiration date: 11/18/2031.

+ Bonds were used as pledge at Joint Stock Commercial Bank for Industry and Trade of Vietnam - Ngo Quyen Branch under the Pledge of Valuable Paper Contract No. 01.TP/2021/HDBD/NHCT168-TRAIPHIEUSONH.

(4) Bond AGRIBANK223001, issue date: December 30, 2022. face value VND 100,000 quantity: 20,000 bonds, total value VND 2,000,000,000. Bond term: 8 years, paying interest once a year, Floating interest rate, calculated by reference interest rate (average interest rate on personal savings deposits in VND, term of 12 months, interest payment at the end of the listed period of four banks (BIDV, Vietinbank, Agribank, Vietcombank at the date of interest rate determination) plus a margin of 1.6%/year in the first 5 years and 3.1%/year in the last 3 years.



**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward,  
 Ngo Quyen District, Hai Phong City, Vietnam.

Form B 09 - DN

Issued under Circular No. 200/2014/TT-BTC  
 December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.2 Financial investments (Continued)****b. Long-term financial investments**

	Rate		31/12/2023 (VND)		01/01/2023 (VND)	
	Ownership Ratio (%)	Voting Ratio (%)	Number of shares held	Cost	Reasonable value	Provision cost
<b>Investment in subsidiaries</b>				<b>17,052,000,000</b>		
Hai Phong Paint JSC No.2	51%	51%	1,105,200	11,052,000,000	-	17,052,000,000
Phoenix Resin Limited Company	100%	100%		6,000,000,000	-	11,052,000,000
<b>Investment in the associated and joint-venture companies</b>				<b>153,554,500,000</b>		
<b>Investment in joint-venture companies</b>						
<i>Investment in joint-venture companies</i>						
Viet Nam Petrol Paint JSC	31.2%	31.2%	112,370	12,778,000,000	-	12,778,000,000
VLC JSC	32%	32%	2,800,000	28,000,000,000	-	28,000,000,000
Asian Real Estate, Paint and Chemicals JSC (1)	26.6%	26.6%	10,657,530	98,657,000,000	-	98,657,000,000
Samhwa Hai Phong Paint Limited Liability Company	50%	50%		11,119,500,000	-	11,119,500,000
VLC Packaging JSC	25%	25%		3,000,000,000	-	3,000,000,000
<b>Investment in other entities</b>				<b>50,911,283,776</b>	<b>(7,735,160,000)</b>	<b>(7,735,160,000)</b>
PAINTPRO Professional Paint Solutions JSC	18%	18%	433,516	4,335,160,000	(4,335,160,000)	4,335,160,000
VICO Limited Company (2)	12%	12%		12,132,544,000	-	12,132,544,000
SIVICO JSC (3)	6.72%	6.72%	202,500	1,243,579,776	-	1,243,579,776
VLC Packaging JSC	5%	5%	140,000	1,400,000,000	-	1,400,000,000
VIFA coating Joint Stock Company			340,000	3,400,000,000	(3,400,000,000)	3,400,000,000
Entrusting VLC Group Joint Stock Company to invest				28,400,000,000	-	28,400,000,000
<b>Total</b>				<b>221,517,783,776</b>	<b>(*) (7,735,160,000)</b>	<b>221,517,783,776</b>
					<b>(*)</b>	<b>(7,735,160,000)</b>

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**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward,  
Ngo Quyen District, Hai Phong City, Vietnam.

**Form B 09 - DN**  
Issued under Circular No. 200/2014/TT-BTC  
December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.2 Financial investments (Continued)**

**b. Investments in equity of other entities (Continued)**

(\*): The Company has not determined the fair value of the investments since these investments are not listed and the Vietnamese Accounting Standards and the Vietnamese Accounting System for Enterprises do not currently have guidance on how to fair value using valuation techniques. The fair value of this financial instrument may differ from its carrying amount.

(1): The Company invests in A Chau Paint and Chemical Real Estate Joint Stock Company and receives a stock dividend of 791,830 shares. Therefore, the number of shares the Company holds is 10,657,530 shares.

(2): The company invested in VICO Co., Ltd., in 2018 the company divided the profit in 2017 to increase the capital contribution of members to VND 6,066,272,000 and Son Hai Phong Joint Stock Company contributed additional capital to VND 6,066,272,000. In 2020, VICO Co., Ltd. will increase its capital by 15% with the profit in 2019 equivalent to an amount of VND 2,729,822,000.

(3): The Company invests in SIVICO Joint Stock Company and receives a stock dividend of 78,142 shares. Therefore, the number of shares the Company holds is 202,500 shares.

(\*\*): Related party transactions with the Companies are presented in Note 7.1



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.3 Receivables from customers**

	31/12/2023 VND	01/01/2023 VND
<b>Short term receivables from customer</b>	<b>257,935,367,360</b>	<b>298,699,240,237</b>
Phoenix Resin Limited Company	99,622,259,111	98,050,453,534
Samhwa Hai Phong Paint Limited Company	45,415,556,900	81,692,391,164
Others	112,897,551,349	118,956,395,539
<b>Total</b>	<b>257,935,367,360</b>	<b>298,699,240,237</b>
<i>In which the receivables from related parties are presented in Note 7.1 - Transactions to related parties</i>	<i>154,038,235,687</i>	<i>180,363,336,833</i>

**5.4 Repayments to suppliers**

	31/12/2023 VND	01/01/2023 VND
Hong Tien Trading And Services Engineering Company Limited	-	1,548,800,000
Lotte Chemical Corporation	-	2,528,240,000
Mitsubishi Shoji Chemical Corporation	-	3,802,921,000
Sao Do Investment Group Joint Stock Company	36,421,720,000	37,841,290,000
Ravelink Trading Joint Stock Company	3,697,800,000	300,000,000
Others	16,189,496,947	4,881,031,547
<b>Total</b>	<b>56,309,016,947</b>	<b>50,902,282,547</b>
<i>In which Prepayments to sellers from related parties are presented in Note 7.1</i>	<i>102,300,000</i>	-

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.5 Other receivables**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Book Value	Provision cost	Book Value	Provision cost
<b>Short term receivables</b>	<b>69,142,997,427</b>	<b>-</b>	<b>53,382,158,319</b>	<b>-</b>
- Collateral, deposits	16,190,000,000	-	16,511,224,520	-
- Dividend	47,735,093,287	-	33,563,899,784	-
<i>Viet Nam Petro Paint Joint Stock Company</i>	898,960,000	-	-	-
<i>SiViCo JSC</i>	486,000,000	-	486,000,000	-
<i>Hai Phong Paint JSC No2</i>	1,605,200,000	-	1,000,000,000	-
<i>VLC Packaging JSC</i>	960,000,000	-	960,000,000	-
<i>Asian Real Estate Paint and Chemicals JSC</i>	31,111,677,011	-	22,656,309,252	-
<i>VicoCo., LTD</i>	2,302,050,180	-	2,511,436,560	-
<i>-Phoenix Resin Limited Company</i>	8,778,281,096	-	5,950,153,972	-
<i>Samhwa Hai Phong Paint Limited Liability Company</i>	1,592,925,000	-	-	-
- Chailease International Leasing Company Limited - Hanoi Branch	-	-	1,835,556,982	-
- Others	144,347,000	-	197,283,893	-
- Advances	5,073,557,140	-	1,274,193,140	-
<b>Total</b>	<b>69,142,997,427</b>	<b>-</b>	<b>53,382,158,319</b>	<b>-</b>
<i>In which the receivables from related parties are presented in Note 7.1 - Transactions to related parties</i>	<i>42,394,118,107</i>	<i>-</i>	<i>30,280,683,224</i>	<i>-</i>



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.6 Bad debts**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Cost	Recoverable value	Cost	Recoverable value
The total value of receivables, loans that are overdue or not overdue but difficult to recover	4,893,996,681	783,782,279	3,329,432,041	392,049,053
<i>In which:</i>				
	Overdue 6 months - 01 year	Overdue 01-02 years	Overdue 02-03 years	Overdue more than 3 years
Minh Xuan Joint Stock Company	-	-	-	358,680,064
Ben Kien Shipbuilding Industry Company Ltd	-	-	-	263,882,194
Duong Giang Co., LTD	-	-	-	448,623,581
Lilama 5 JSC	-	-	-	392,388,933
Sao Thuy Constructinon and Design Jsc	-	-	-	858,206,864
Hoang Linh Petrol and Trading Company Limited	-	-	-	219,108,246
MLS Joint Stock Company	-	1,567,564,560	-	-
Others	-	-	-	785,542,239
<b>Total</b>	-	<b>1,567,564,560</b>	-	<b>3,326,432,121</b>

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.7 Inventories**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Cost	Provision cost	Cost	Provision cost
Raw materials	119,282,265,004	-	121,028,357,740	-
Instrument & tools	2,013,560,215	-	1,666,542,457	-
Finished products	56,924,383,620	-	65,060,705,360	-
<b>Total</b>	<b>178,220,208,839</b>	<b>-</b>	<b>187,755,605,557</b>	<b>-</b>

**5.8 Prepaid expenses**

	31/12/2023	01/01/2023
	VND	VND
<b>Short term</b>	<b>1,811,711,229</b>	<b>1,378,222,000</b>
Advertising costs	1,811,711,229	1,378,222,000
<b>Long term</b>	<b>1,263,100,000</b>	<b>2,292,760,000</b>
Fixed asset repair costs	-	65,460,000
Prepaid cost to buy formula Paint	1,263,100,000	2,227,300,000
<b>Total</b>	<b>3,074,811,229</b>	<b>3,670,982,000</b>



**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward,  
 Ngo Quyen District, Hai Phong City, Vietnam.

Form B 09 - DN

Issued under Circular No. 200/2014/TT-BTC  
 December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.9 Tangible fixed assets**

	Buildings, structures	Machinery, equipment	Motor vehicles	Tool & Equipment	Total
<b>HISTORICAL COST</b>					
As at 01/01/2023	44,802,150,692	93,336,687,477	60,300,596,838	10,409,898,808	208,849,333,815
Increase	-	122,513,576	1,183,225,091	880,074,988	2,185,813,655
Purchasing in year	-	122,513,576	1,122,525,091	880,074,988	2,125,113,655
Capital construction investment completed	-	-	60,700,000	-	60,700,000
Decrease	-	-	827,697,178	-	827,697,178
Disposal	-	-	827,697,178	-	827,697,178
As at 31/12/2023	44,802,150,692	93,459,201,053	60,656,124,751	11,289,973,796	210,207,450,292
<b>ACCUMULATED DEPRECIATION</b>					
As at 01/01/2023	22,927,152,003	61,659,585,896	39,942,609,488	7,593,125,795	132,122,473,182
Increase	1,704,407,386	4,900,507,020	4,693,945,366	768,818,103	12,067,677,875
Depreciation in year	1,704,407,386	4,900,507,020	4,693,945,366	768,818,103	12,067,677,875
Decrease	-	-	827,697,178	-	827,697,178
Disposal	-	-	827,697,178	-	827,697,178
As at 31/12/2023	24,631,559,389	66,560,092,916	43,808,857,676	8,361,943,898	143,362,453,879
<b>NET BOOK VALUE</b>					
As at 01/01/2023	21,874,998,689	31,677,101,581	20,357,987,350	2,816,773,013	76,726,860,633
As at 31/12/2023	20,170,591,303	26,899,108,137	16,847,267,075	2,928,029,898	66,844,996,413

**In which:**

The company has mortgaged the factory and some transmission vehicles with the remaining value at 31/12/2023 is: VND 62,003,291,977 (as at 31/12/2022 is VND 67,793,703,940) as security for bank loans..

History cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2023 is: VND 54,551,115,656 (as at 31/12/2022 is VND 53,956,914,325).

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.10 Intangible fixed assets***Unit: VND*

	Soft ware	Others	Total
<b>Historical Cost</b>			
As at 01/01/2023	1,524,834,500	258,368,500	1,783,203,000
<b>Increase</b>	<b>670,000,000</b>	-	<b>670,000,000</b>
Purchasing in year	33,500,000	-	33,500,000
Capital construction investment completed	636,500,000	-	636,500,000
<b>Decrease</b>	-	-	-
<b>As at 31/12/2023</b>	<b>2,194,834,500</b>	<b>258,368,500</b>	<b>2,453,203,000</b>
<b>ACCUMULATED AMORTIZATION</b>			
As at 01/01/2023	1,524,834,500	258,368,500	1,783,203,000
<b>Increase</b>	<b>69,791,670</b>	-	<b>69,791,670</b>
Amortization in year	69,791,670	-	69,791,670
<b>Decrease</b>	-	-	-
<b>As at 31/12/2023</b>	<b>1,594,626,170</b>	<b>258,368,500</b>	<b>1,852,994,670</b>
<b>NET BOOK VALUE</b>			
As at 01/01/2023	-	-	-
<b>As at 31/12/2023</b>	<b>600,208,330</b>	-	<b>600,208,330</b>

The historical cost of intangible fixed assets which have been fully amortized but still in use is VND 1,783,203,000 (as at December 31, 2022: VND 1,783,203,000).

**5.11 Construction in progress**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Cost	Recoverable Value	Cost	Recoverable Value
<b>Construction in process</b>				
- Rest house for workers	-	-	636,500,000	636,500,000
- Renovate and repair factory	-	-	3,281,314,918	3,281,314,918
<b>Total</b>	-	-	<b>3,917,814,918</b>	<b>3,917,814,918</b>



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.12 Trade payables**

	31/12/2023 (VND)		01/01/2023 (VND)	
	Book value	Amount can be paid	Book value	Amount can be paid
<b>Short term</b>	<b>81,196,730,287</b>	<b>81,196,730,287</b>	<b>149,905,681,355</b>	<b>149,905,681,355</b>
FSI Viet Nam Ltd.,Co	682,810,181	682,810,181	1,671,890,669	1,671,890,669
Chugoku Marine Paint Singapore	7,118,357,497	7,118,357,497	10,538,610,116	10,538,610,116
SAMHWA PAINTS IND CO., LTD	24,486,284,768	24,486,284,768	62,049,256,483	62,049,256,483
Chemical Market Development And Investment Company Limited	4,193,470,875	4,193,470,875	6,744,022,780	6,744,022,780
TOP SOLVENT (VIETNAM) LIMITED LIABILITY COMPANY	10,207,099,100	10,207,099,100	10,615,451,000	10,615,451,000
KUKDO CHEMICAL CO. LTD	3,499,320,900	3,499,320,900	5,115,564,312	5,115,564,312
Others	31,009,386,966	31,009,386,966	53,170,885,995	53,170,885,995
<b>Total</b>	<b>81,196,730,287</b>	<b>81,196,730,287</b>	<b>149,905,681,355</b>	<b>149,905,681,355</b>

*In which payables to related parties are presented in Note 7.1 - Transactions to related parties*

	2,282,345,799	2,282,345,799	871,229,145	871,229,145
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**5.13 Prepayments from customers**

	31/12/2023	01/01/2023
	VND	VND
Petro Vietnam Paint Joint Stock Company	-	1,815,544,631
Dai Duong Shipbuilding Group Joint Stock Company	-	152,339,281
Others	486,801,694	303,005,813
<b>Total</b>	<b>486,801,694</b>	<b>2,270,889,725</b>

*In which Prepayments from customers from related parties are presented in Note 7.1*

	-	1,815,544,631
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**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.14 Taxes and receivables, payables to the State Budget***Unit: VND*

	01/01/2023	Payables in the year	Paid in the year	31/12/2023
<b>Payables</b>	<b>2,748,531,107</b>	<b>65,075,323,820</b>	<b>61,320,832,840</b>	<b>6,503,022,087</b>
VAT tax	2,616,442,988	51,737,008,080	51,160,677,999	3,192,773,069
Corporate income tax	132,088,119	8,608,712,266	5,509,562,116	3,231,238,269
+ <i>In year</i>	<i>132,088,119</i>	<i>8,541,504,674</i>	<i>5,495,181,716</i>	<i>3,178,411,077</i>
+ <i>Corporate income tax collection</i>	-	<i>67,207,592</i>	<i>14,380,400</i>	<i>52,827,192</i>
Personal income tax	-	4,551,716,820	4,472,706,071	79,010,749
Land & housing tax	-	171,886,654	171,886,654	-
Fee & charge & other payables	-	6,000,000	6,000,000	-
<b>Receivables</b>	<b>369,567,438</b>	<b>1,580,854,892</b>	<b>1,231,399,881</b>	<b>20,112,427</b>
Import & Export tax	11,881,109	1,223,168,563	1,231,399,881	20,112,427
Corporate income tax	-	-	-	-
Personal income tax	357,686,329	357,686,329	-	-

**5.15 Accrued expenses**

	31/12/2023 VND	01/01/2023 VND
<b>Short term</b>	<b>10,513,508,278</b>	<b>8,950,166,687</b>
Patents Expense for CMP	3,643,266,641	3,983,428,186
Interest expense	1,171,719,975	1,495,200,000
Bonus for agencies	974,247,593	1,561,880,593
Cost of using the license is to be paid to Samhwa	4,724,274,069	1,909,657,908
<b>Total</b>	<b>10,513,508,278</b>	<b>8,950,166,687</b>

**5.16 Other payables**

	31/12/2023 VND	01/01/2023 VND
<b>Short term</b>	<b>14,971,738,086</b>	<b>15,506,202,870</b>
Trade Union fees	266,772,269	210,753,140
Privatization payable	105,050,000	105,050,000
Dividends or profits payable	5,485,644,205	3,478,398,430
Payable, other payable	9,114,271,612	11,712,001,300
<i>Chailease International Leasing Company Limited - Hanoi Branch</i>	-	<i>1,735,023,530</i>
<i>Contributing capital to purchase yachts</i>	<i>7,434,500,000</i>	<i>7,434,500,000</i>
<i>Others</i>	<i>1,679,771,612</i>	<i>2,542,477,770</i>
<b>Total</b>	<b>14,971,738,086</b>	<b>15,506,202,870</b>

*In which the Other payable from related parties are presented in Note 7.1 - Transactions to related parties*

500,000,000

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**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward,  
Ngo Quyen District, Hai Phong City, Vietnam.

**Form B 09 - DN**

Issued under Circular No. 200/2014/TT-BTC  
December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.17 Borrowings and finance lease liabilities**

	31/12/2023					In year			01/01/2023	
	Value		Amount can be paid		Increase	Decrease	Value	Amount can be paid		
<b>Short term</b>	<b>506,090,371,161</b>	<b>506,090,371,161</b>	<b>964,982,506,477</b>	<b>946,144,922,615</b>	<b>487,252,787,299</b>	<b>487,252,787,299</b>	<b>487,252,787,299</b>	<b>487,252,787,299</b>	<b>487,252,787,299</b>	
Vietnam Joint Stock Commercial Bank For Industry And Trade - Ngo Quyen Branch (1)	135,110,737,252	135,110,737,252	323,045,357,259	337,846,783,657	149,912,163,650	149,912,163,650	149,912,163,650	149,912,163,650	149,912,163,650	
Vietnam Bank For Agriculture And Rural Development - Hai Phong Branch (2)	187,846,471,530	187,846,471,530	275,533,560,133	244,459,780,270	156,772,691,667	156,772,691,667	156,772,691,667	156,772,691,667	156,772,691,667	
Vietnam Prosperity Joint Stock Commercial Bank (USD) (3)	-	-	673,220,720	18,083,202,140	17,409,981,420	17,409,981,420	17,409,981,420	17,409,981,420	17,409,981,420	
Vietnam Prosperity Joint Stock Commercial Bank (VND) (3)	1,818,556,973	1,818,556,973	21,334,796,847	36,293,369,834	16,777,129,960	16,777,129,960	16,777,129,960	16,777,129,960	16,777,129,960	
Hong Leong Bank Vietnam Limited (4)	69,502,376,813	69,502,376,813	152,340,650,072	152,681,448,440	69,843,175,181	69,843,175,181	69,843,175,181	69,843,175,181	69,843,175,181	
Bank Sinopac (5)	42,923,597,198	42,923,597,198	85,156,770,433	87,678,669,274	45,445,496,039	45,445,496,039	45,445,496,039	45,445,496,039	45,445,496,039	
Vietnam International Commercial Joint Stock Bank (6)	54,898,838,215	54,898,838,215	54,923,838,215	25,000,000	-	-	-	-	-	
VLC Packaging Joint Stock Company	-	-	3,802,421,918	5,100,000,000	1,297,578,082	1,297,578,082	1,297,578,082	1,297,578,082	1,297,578,082	
Private loan (7)	13,989,793,180	13,989,793,180	48,171,890,880	63,976,669,000	29,794,571,300	29,794,571,300	29,794,571,300	29,794,571,300	29,794,571,300	
<b>Long term</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,105,867,938</b>	<b>1,105,867,938</b>	<b>1,105,867,938</b>	<b>1,105,867,938</b>	<b>1,105,867,938</b>	<b>1,105,867,938</b>	
Chailease International Leasing Co., Ltd - Hanoi Branch	-	-	-	1,105,867,938	1,105,867,938	1,105,867,938	1,105,867,938	1,105,867,938	1,105,867,938	
<b>Total</b>	<b>506,090,371,161</b>	<b>506,090,371,161</b>	<b>964,982,506,477</b>	<b>947,250,790,553</b>	<b>488,358,655,237</b>	<b>488,358,655,237</b>	<b>488,358,655,237</b>	<b>488,358,655,237</b>	<b>488,358,655,237</b>	

Unit: VND



**HAI PHONG PAINT JOINT STOCK COMPANY**

No. 12 Lach Tray, Lach Tray Ward,  
Ngo Quyen District, Hai Phong City, Vietnam.

**Form B 09 - DN**  
Issued under Circular No. 200/2014/TT-BTC  
December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.17 Borrowings and finance lease liabilities (Continued)**

- <1> Loan agreement under the contract No. 01/2023/HĐCVHM/NHCT168-SONHP signed on 16/05/2023 between Vietnam Joint Stock Commercial Bank for Industry and Trade - Ngo Quyen Branch and Hai Phong Paint Joint Stock Company with credit limit of VND 200,000,000,000. The limit of loans includes debts adjusted by credit contract No. 01/2019-HĐCVHM/NHCT168-CPSONHP dated 31/10/2019. The credit schedule is 12 months from 22/12/2020 to the end of 30/11/2021. The credit purpose is to supplement working capital for production and business activities. The term of each loan is stated in the debt certificate but must not exceed 06 months. Lending interest rate of each debt is determined in each contract and according to the adjustment record (if any).
- <2> Credit contract No. 2100-LAV-202200560 signed on November 01, 2022 between Vietnam Bank for Agriculture and Rural Development – Hai Phong Branch and Hai Phong Paint Joint Stock Company with a credit limit of VND 200,000,000,000. The loan limit includes all debts and obligations in the credit contract No. 2100-LAV-201900779 signed on December 11, 2019. The loan limit maintenance period is 12 months from the date of signing this contract. The purpose of using the loan is to supplement working capital to pay expenses for production and business of paints, oils, plastics and other products according to the business license for the 2020-2021 business plan period. The maximum loan term of each loan is not more than 06 months/time from the next day of loan disbursement and does not exceed the remaining loan term of the loan at other credit institutions in the school. loans to repay loans at other credit institutions. Lending interest rate applied to the principal balance within the term: VND: 7.5%/year; USD: 4.5%/year. Loans are partially secured by assets, the rate of unsecured loans is up to 40% of the total credit level.
- <3> The contract for digital signal limit 2021/HMTD/VPB-SHP dated July 28, 2021 between Vietnam Prosperity Joint Stock Commercial Bank and Hai Phong Son Joint Stock Company with a signal limit of VND 180,000,000,000. Loan limit includes all debts and obligations in credit contract No. 2021/HMTD/VPB-SHP. The application signal level maintenance period is 12 months from the date of signing this contract. Purpose of using loan: Using working capital to pay expenses for production and business activities of enterprises. The loan term of the loans each time under the authority does not exceed 6 months. Loan interest rate and interest rate adjustment mechanism will be agreed upon by the bank and the customer according to the market capital supply, loan demand and credit level of the customer.
- <4> Credit contract No. HCM/2022/003/STL/FA dated February 18, 2022 between Hong Leong Bank Vietnam Limited and Hai Phong Son Joint Stock Company with a loan credit limit of VND 70,000,000,000 (*In words: Seventy billion dong*). Maximum term is 06 months from the day following the disbursement date for each disbursement or from the date of issuance of each LC. Intended use: to issue irrevocable sight/deferred letters of credit to finance import/domestic needs of raw materials. The specific interest rate for each credit granted may vary depending on the Bank's cost of capital from time to time and is determined on the date the credit is granted to the borrower and is detailed above. Credit note and disbursement confirmation issued by the bank.
- <5> Short-term credit contract No. 221009 between Bank Simopac - Ho Chi Minh City branch and Hai Phong Son Joint Stock Company. Loan credit limit is: USD 2,000,000 (*In words: Two million USD even*). The limit granting period from the contract signing date to March 31, 2023 is subject to further extension (if any). Purpose of use: serving production and business activities, issuing L/C. The interest rate specified for each credit granted. Collateral as specified in the Security Contract.
- <6> Credit contract between Son Hai Phong Joint Stock Company and Vietnam International Commercial Joint Stock Bank (VIB) No. 64-10090.23 dated September 20, 2023. Credit line: VND 55,000,000,000. Duration: 12 months. Loan purpose: To grant additional credit for working capital for production and business. Collateral: The loan is secured by receivables, debt collection rights.
- <7> Personal loans: interest rate from 7.2% to 8.4%/year.



**HAI PHONG PAINT JOINT STOCK COMPANY**

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 Ngo Quyen District, Hai Phong City, Vietnam.

**Form B 09 - DN**

Issued under Circular No. 200/2014/TT-BTC  
 December 22, 2014 of the Ministry of Finance

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.18 Owners' equity****a. Changes of owners' equity***Unit: VND*

	Paid-in capital	Share premium	Paid-in capital	Other	Treasury	Investment &	Retained earnings	Total
					Shares	development funds		
<b>As at 01/01/2022</b>	80,071,770,000	10,787,152,766	7,250,586,886	-	(467,410,000)	246,656,250,094	67,186,630,362	411,484,980,108
Gain in the year	-	-	-	-	-	-	38,890,162,549	38,890,162,549
Allocation to Investment & development funds	-	-	-	-	-	30,000,000,000	(30,000,000,000)	-
Allocation to fund of the BOD	-	-	-	-	-	-	(1,679,665,000)	(1,679,665,000)
Allocation to Bonus & welfare funds	-	-	-	-	-	-	(11,625,657,362)	(11,625,657,362)
Dividend paid	-	-	-	-	-	-	(23,881,308,000)	(23,881,308,000)
<b>As at 31/12/2022</b>	80,071,770,000	10,787,152,766	7,250,586,886	-	(467,410,000)	276,656,250,094	38,890,162,549	413,188,512,295
<b>As at 01/01/2023</b>	80,071,770,000	10,787,152,766	7,250,586,886	-	(467,410,000)	276,656,250,094	38,890,162,549	413,188,512,295
Gain in the year	-	-	-	-	-	-	82,315,581,005	82,315,581,005
Allocation to Bonus & welfare funds (i)	-	-	-	-	-	-	(8,862,251,569)	(8,862,251,569)
Dividend paid (i)	-	-	-	-	-	-	(23,881,308,000)	(23,881,308,000)
<b>As at 31/12/2023</b>	80,071,770,000	10,787,152,766	7,250,586,886	-	(467,410,000)	276,656,250,094	88,462,183,985	462,760,533,731

(i): The company distributes profit after tax of 2022 according to the Resolution No. 20/NQ-DHDCD dated 28/4/2023 of the General Meeting of Shareholders as follows:

+ Dividend distribution: VND 23,881,308,000;

+ Deduction for Bonus and welfare fund: VND 8,862,251,569;

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.18 Owners' equity (Continued)****b. Detail shareholders' capital**

	31/12/2023	01/01/2023
	VND	VND
Luu Thi Phuong Lan	4,633,040,000	3,172,430,000
Nguyen Thi Xuan Dung	6,278,040,000	5,482,040,000
Nguyen Van Vien	6,151,420,000	6,151,420,000
AFC VF LIMITED	8,580,000,800	7,105,000,000
Others	54,429,269,200	58,160,880,000
<b>Total</b>	<b>80,071,770,000</b>	<b>80,071,770,000</b>

**c. Capital transactions with shareholders and appropriation of profits and dividends**

	In 2023	In 2022
	VND	VND
<b>Paid in capital</b>		
As at 1 January	80,071,770,000	80,071,770,000
Increase	-	-
As at 31 December	80,071,770,000	80,071,770,000
<b>Dividend, profit paid</b>	<b>23,881,308,000</b>	<b>23,881,308,000</b>

**d. Dividends****Dividends announced after the balance sheet date:**

Announced dividends on common shares:

**In 2023**The company announced  
an advance dividend for  
2023 of 10%

On November 29, 2023 the Board of Directors of the Company approved Resolution No.03/2023/NQ-BOD on the temporary dividend payment in 2023 of 10%/charter capital, the expected time is January 31, 2024.

**e. Shares**

	31/12/2023	01/01/2023
	Shares	Shares
<b>Issued shares</b>	<b>8,007,177</b>	<b>8,007,177</b>
<b>Repurchased shares</b>	<b>46,741</b>	<b>46,741</b>
Common shares	46,741	46,741
<b>Outstanding shares</b>	<b>7,960,436</b>	<b>7,960,436</b>
Common shares	7,960,436	7,960,436
Par value of outstanding shares (VND/per share)	10,000	10,000



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**5.19 Off Separate Balance Sheet Items****a. Foreign currencies**

	31/12/2023		01/01/2023	
	Currency	Equivalents VND	Currency	Equivalents VND
USD	778.05	19,001,790	1,491.32	35,374,110
<b>Total</b>		<b>19,001,790</b>		<b>35,374,110</b>

**6. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE INCOME STATEMENT****6.1 Revenue from sales of goods and provision of services**

	In 2023 VND	In 2022 VND
Sales of goods sold	1,068,828,797,654	1,003,166,996,471
<b>Total</b>	<b>1,068,828,797,654</b>	<b>1,003,166,996,471</b>
<b>Revenue deductions</b>		
Sale returns	-	365,969,835
<b>Total</b>	<b>-</b>	<b>365,969,835</b>
<b>Net profit</b>		
Sales of goods sold	1,068,828,797,654	1,002,801,026,636
<b>Total</b>	<b>1,068,828,797,654</b>	<b>1,002,801,026,636</b>
<i>In which revenue from related parties are presented in Note 7.1</i>	<i>512,192,378,829</i>	<i>487,745,581,171</i>

**6.2 Cost of goods sold**

	In 2023 VND	In 2022 VND
Cost of goods sold	866,638,231,341	864,367,653,497
<b>Total</b>	<b>866,638,231,341</b>	<b>864,367,653,497</b>

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**6.3 Financial income**

	In 2023 VND	In 2022 VND
Interest expense	5,835,576,719	9,812,948,612
Dividends or profits receivables	6,089,416,900	3,957,436,560
Realized exchange rate difference loss	1,377,099,965	418,095,294
Unrealized exchange rate difference loss	311,673,658	297,840,350
Others	175,011,254	582,935,450
<b>Total</b>	<b>13,788,778,496</b>	<b>15,069,256,266</b>
<i>In which Financial income from related parties are presented in Note 7.1</i>	<i>16,210,746,475</i>	<i>10,997,747,329</i>

**6.4 Financial expenses**

	In 2023 VND	In 2022 VND
Interest expense	29,519,612,362	18,821,559,273
Realized exchange rate difference loss	6,956,167,217	16,635,347,361
Unrealized exchange rate difference loss	40,868,761	370,397
Others	141,470,263	17,441,355
<b>Total</b>	<b>36,658,118,603</b>	<b>35,474,718,386</b>

**6.5 Selling expenses and General and administrative expenses**

	In 2023 VND	In 2022 VND
<b>Selling expenses</b>	<b>61,769,927,926</b>	<b>53,059,482,432</b>
Employee expenses	16,833,881,282	11,144,533,917
Depreciation expenses	1,063,118,494	1,080,439,884
Outsourcing expense	29,342,733,913	28,717,786,096
- Carriage cost	13,978,801,298	14,478,695,207
- Advertising expenses	10,202,840,695	10,003,883,292
- Outsourcing expense	5,161,091,920	4,235,207,597
Other expenses in cash	14,530,194,237	12,116,722,535
<b>General administrative expense</b>	<b>26,955,822,918</b>	<b>19,751,579,132</b>
Employee expenses	14,009,095,455	7,848,024,295
Office supplies	623,563,421	535,854,938
Depreciation expenses	676,191,354	596,952,994
Tax charges and fees	1,151,744,170	1,054,253,772
Provision expenses	1,175,831,413	(115,000,000)
Outsourcing expense	2,115,126,799	2,124,976,419
Other expenses in cash	7,204,270,306	7,706,516,714
<b>Total</b>	<b>88,725,750,844</b>	<b>72,811,061,564</b>



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**6.6 Other income/ Other expenses**

	In 2023 VND	In 2022 VND
<b>Other Income</b>		
Differences from inventory	105,918,036	133,660,456
Revenue from regular insurance	824,230,000	-
Revenue and liquidate assets	39,090,909	-
Obtained by office rental	84,000,000	84,000,000
Other	103,782,856	155,073,384
<b>Total</b>	<b>1,157,021,801</b>	<b>372,733,840</b>
<b>Other Expenses</b>		
Inventory difference	102,446,958	117,609,363
Cost of liquidation of materials	792,964,526	-
<b>Total</b>	<b>895,411,484</b>	<b>117,609,363</b>
<b>Other Income/ Expenses (net)</b>	<b>261,610,317</b>	<b>255,124,477</b>
<i>In which Other Income from related parties are presented in Note 7.1</i>	<i>84,000,000</i>	<i>84,000,000</i>

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**6.7 Current corporate income tax expense**

	In 2023 VND	In 2022 VND
<b>Total profit before tax</b>	90,857,085,679	45,471,973,932
<b>Total accounting profit before CIT excluding yacht rental activities</b>	91,620,215,640	45,314,638,982
+ Increased adjustments	-	-
+ Decreased adjustments	6,205,168,900	4,177,491,730
<i>Joint venture profit division</i>	6,089,416,900	3,957,436,560
<i>Unrealized exchange rate difference</i>	115,752,000	220,055,170
<b>Total taxable income</b>	85,415,046,740	41,137,147,252
Corporate income tax rate	10%	10%
<i>Corporate income tax is exempted or reduced by 50% because the Company is a Science and Technology Enterprise No. 06/DNKHCN dated September 18, 2015.</i>		
<b>Current CIT expenses do not include yacht rental activities (1)</b>	8,541,504,674	4,113,714,725
<b>Total accounting profit before CIT from yacht leasing</b>	(763,129,961)	157,334,950
+ Increased adjustments	-	-
+ Decreased adjustments	-	-
Income subject to corporate income tax	(763,129,961)	157,334,950
Corporate income tax rate	20%	20%
<b>Current operating income tax expenses Yacht rental (2)</b>	-	31,466,990
<b>Current CIT expenses (3) = (1) + (2)</b>	8,541,504,674	4,145,181,715
Supplementing CIT in 2021 according to the State Audit Minutes due to not being able to reduce 50% when applying the 10% CIT rate (4)	-	2,436,629,668
<b>Corporate income tax payables (5)=(3)+(4)</b>	8,541,504,674	6,581,811,383

**6.8 Production and business expenses by factors**

	In 2023 VND	In 2022 VND
Material expenses	691,921,405,175	691,833,696,692
Employee expenses	55,121,399,363	43,270,980,838
Depreciation expenses	12,137,469,545	12,031,237,144
Provision expenses	1,175,831,413	(115,000,000)
Other expenses in cash	40,776,241,693	40,161,143,496
Outsourcing expense	24,656,386,152	22,745,160,858
<b>Total</b>	825,788,733,341	809,927,219,028



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**7. OTHER INFORMATION****7.1 Transactions and balances with related parties**

The Company has transactions with related parties as follows:

<b>Related parties</b>	<b>Relations</b>
Hai Phong Paint Joint Stock Company No.2	Subsidiaries
Phoenix Resin Limited Company	Subsidiaries
VLC Powder Coating Company Limited	Associates
Viet Nam Petro Paint JSC	Associates
PAINTPRO Professional Paint Solution Joint Stock Company	Associates
Vlc Group Joint Stock Company	Associates
Asian Real Estate Paint and Chemicals JSC	Associates
Samhwa Hai Phong Paint Limited	Joint ventures
Members of the Board of Directors, Board of Directors, Board of Supervisors and individuals related to key management members	Significant influence

*In the year, the Company has transactions with related parties as follows:***Remuneration for Boards of Management, Supervisors and General Directors**

<b>Related parties</b>	<b>Nature of transaction</b>	<b>In 2023 VND</b>	<b>In 2022 VND</b>
Salary and remuneration of the Board of Management and Supervisors	Salary and Remuneration	-	1,612,000,000
Salary of the Board of General Directors, Chief Accountant	Salary	5,825,456,773	5,302,390,207

**In which:****Remuneration of the Board of Management**

<b>Full name</b>	<b>Title</b>	<b>In 2023 VND</b>	<b>In 2022 VND</b>
Nguyen Van Vien	Chairman	-	372,000,000
Nguyen Van Dung	Member	-	434,000,000
Vu Trung Dung	Member	-	186,000,000
Bui Kim Ngoc	Member	-	186,000,000
Nguyen Mong Lan	Member	-	186,000,000

**Remuneration of the Supervisory Board**

<b>Full name</b>	<b>Title</b>	<b>In 2023 VND</b>	<b>In 2022 VND</b>
La Quynh Chi	Head of Supervisor	-	124,000,000
Hoang Thi Thu	Member	-	62,000,000
Nguyen Thi Thanh Tram	Member	-	62,000,000

**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**7.1 Transactions and balances with related parties (Continued)****Remuneration for Boards of Management, Supervisors and General Directors****Income of the General Director and Other managers**

Full name	Title	In 2023	In 2022
		VND	VND
Nguyen Van Vien	Chairman	11,500,000	14,500,000
Nguyen Mong Lan	Member	8,000,000	11,000,000
Nguyen Van Dung	General Director	2,529,902,822	2,075,421,366
Vu Trung Dung	Deputy General Director		
	Director	1,055,343,665	1,099,178,382
Bui Kim Ngoc	Deputy General Director		
	Director	1,272,699,954	1,135,645,843
La Quynh Chi	Head of Supervisor	8,000,000	11,000,000
Hoang Thi Thu	Member	684,381,637	694,702,081
Nguyen Thi Thanh Tram	Member	255,628,695	260,942,535

**Related parties ending balance**

	31/12/2023	01/01/2023
Payables	VND	VND
<b>Payables</b>	<b>2,282,345,799</b>	<b>871,229,145</b>
Viet Nam Petro Paint JSC	2,282,345,799	871,229,145
<b>Prepayments from customers</b>	<b>-</b>	<b>1,815,544,631</b>
Viet Nam Petro Paint JSC	-	1,815,544,631
<b>Other payables</b>	<b>500,000,000</b>	<b>-</b>
Samhwa Hai Phong Paint Limited Liability Company	500,000,000	-
	<b>31/12/2023</b>	<b>01/01/2023</b>
<b>Receivables</b>	<b>VND</b>	<b>VND</b>
<b>Receivables</b>	<b>154,038,235,687</b>	<b>180,363,336,833</b>
Hai Phong Paint JSC No.2	487,066,535	620,492,135
Viet Nam Petro Paint JSC	8,513,353,141	-
Phoenix Limited Company	99,622,259,111	98,050,453,534
Samhwa Hai Phong Paint Limited Liability Company	45,415,556,900	81,692,391,164
<b>Prepayments to sellers</b>	<b>102,300,000</b>	<b>-</b>
Phoenix Limited Company	102,300,000	-
<b>Other Receivables</b>	<b>42,394,118,107</b>	<b>30,280,683,224</b>
Hai Phong Paint JSC No.2	1,605,200,000	1,000,000,000
Viet Nam Petro Paint JSC	898,960,000	674,220,000
Asian Real Estate Paint and Chemicals JSC	31,111,677,011	22,656,309,252
Phoenix Limited Company	8,778,281,096	5,950,153,972



**NOTE TO THE SEPARATE FINANCIAL STATEMENT (CONTINUED)**

For the year ended 31 December 2023

**7.1 Transactions and balances with related parties (Continued)**

**Related parties transactions**

<b>Related parties</b>	<b>Nature of transaction</b>	<b>In 2023 VND</b>	<b>In 2022 VND</b>
<b>Sale of goods and services</b>		<b>512,276,378,829</b>	<b>487,829,581,171</b>
Hai Phong Paint JSC No.2	Sale	276,552,000	38,189,500
Viet Nam Petro Paint JSC	Sale	58,404,819,422	13,966,490,866
Phoenix Limited Company	Sale	190,690,416,715	174,780,052,041
Samhwa Hai Phong Paint Limited Liability Company	Sale	262,820,590,692	298,960,848,764
	Rent office	84,000,000	84,000,000
<b>Buying goods and services</b>		<b>92,607,230,134</b>	<b>39,733,066,058</b>
Hai Phong Paint JSC No.2	Buying goods	397,848,000	33,024,200
Samhwa Hai Phong Paint Limited Liability Company	Buying goods	1,889,982,861	784,634,582
Phoenix Limited Company	Buying goods	53,963,957,100	18,721,358,044
Viet Nam Petro Paint JSC	Buying goods	36,355,442,173	20,194,049,232
<b>Divide profits from subsidiaries and joint ventures</b>		<b>3,597,085,000</b>	-
Hai Phong Paint JSC No.2	Dividend	1,105,200,000	-
Viet Nam Petro Paint JSC	Dividend	898,960,000	-
Samhwa Hai Phong Paint Limited Liability Company	Dividend	1,592,925,000	-
<b>Other</b>		<b>12,613,661,475</b>	<b>10,997,747,329</b>
Asian Real Estate Paint and Chemicals JSC	Profit from Financial investment	9,785,534,351	8,238,947,329
Phoenix Limited Company	Profit from Financial investment	2,828,127,124	2,758,800,000

**7.2 Comparative figures**

Comparative figures are taken from the separate financial statements for the year ended 31<sup>st</sup> December 2022 which are audited by CPA VIETNAM Auditing Company Limited - A Member of INPACT.

Hai Phong, 21<sup>st</sup> March, 2024

<p><b>Preparer</b></p>  <p><b>Doan Thi Dung</b></p>	<p><b>Deputy Manager of Accountant and Finance Department</b></p>  <p><b>Doan Thi Dung</b></p>	<p><b>General Director</b></p>   <p><b>Nguyen Van Dung</b></p>
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