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## General information



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## Overview information



- **Transaction name:** Công ty Cổ Phan Đông Hải Bến Tre
- **International name:** DONGHAI JOINT STOCK COMPANY OF BENTRE
- **Abbreviated name:** DOHACO
- **Business registration certificate No.:** 1300358260 issued by the Department of Planning and Investment of Ben Tre province for the first time on April 2, 2003 and adjusted for the 20th time on January 10, 2023.
- **Address:** Lot AIII, Giao Long industrial park, An Phuoc commune, Chau Thanh district, Ben Tre province, Vietnam.
- **Telephone:** (0275) 3611 666
- **Fax number:** (0275) 3635 222 - (0275) 3611 222
- **Website:** [www.dohacobentre.com.vn](http://www.dohacobentre.com.vn)
- **Email:** [donghai@dohacobentre.com](mailto:donghai@dohacobentre.com)
- **Stock code:** **DHC**
- **Charter capital:** **804.930.480.000 VND**

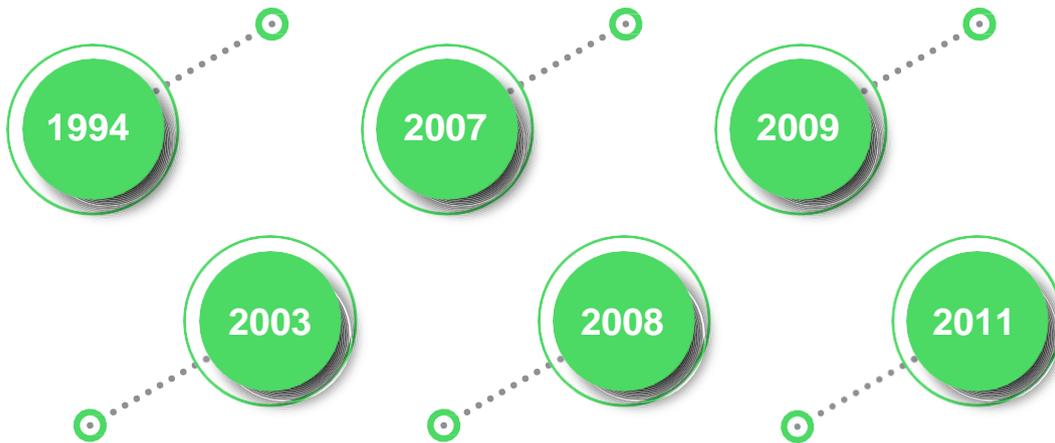


## Formation and development process

In July 1994, Packaging Factory was established as a state-owned enterprise belonging to the Fisheries Industry of Ben Tre province.

In December 2007, construction of Giao Long Paper Factory phase I in Chau Thanh - Ben Tre began, with an estimated investment cost of 165,000,000,000 VND.

Dong Hai Joint Stock Company of Ben Tre officially listed and traded shares on the Ho Chi Minh City Stock Exchange (HOSE) with the stock code DHC.



On April 2, 2003, officially converted to Dong Hai Joint Stock Company of Ben Tre according to Decision No. 4278/QD-UB of Ben Tre Provincial People's Committee dated December 25, 2002 in the form of equitization; Business registration certificate number 1300358260 issued for the first time by the Department of Planning and Investment of Ben Tre Province.

Dong Hai Joint Stock Company of Ben Tre officially became a public company according to the announcement of the State Securities Commission.

In January 2011, Dong Hai Joint Stock Company of Ben Tre held the inauguration of Giao Long paper factory phase I and packaging factory No. 2

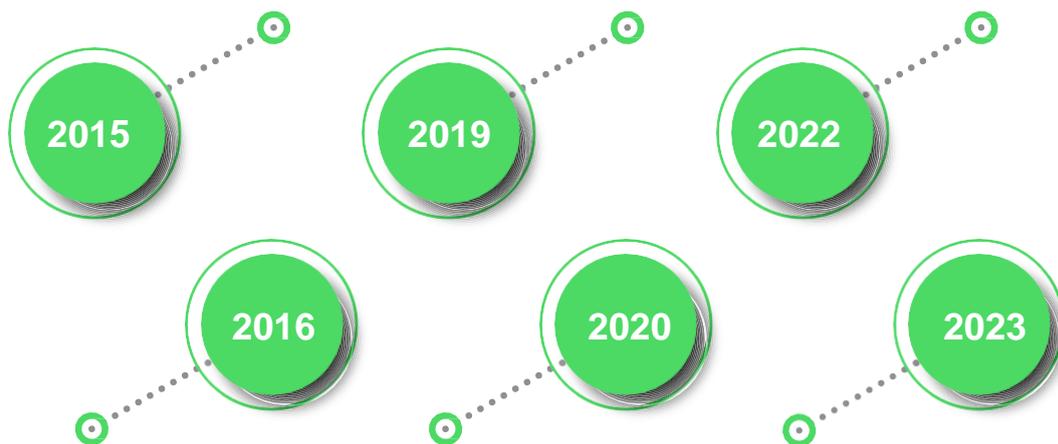
## Formation and development process (continued)

Dong Hai Joint Stock Company of Ben Tre officially moved the Company's headquarters to the address: Lot AIII Giao Long Industrial Park, An Phuoc Commune, Chau Thanh District, Ben Tre Province.

Bringing Giao Long factory phase 2 into official operation.

April 2022: Ben Tre Packaging Company Limited comes into official operation.

June 2022: Contribute capital to establish Giao Long Paper Joint Stock Company. Total investment capital of the project is 1,800 billion VND.



The company implemented the Giao Long paper mill project phase 2 with a capacity of 660 tons/day.

Established a subsidiary of Ben Tre Packaging One Member Company Limited with a total investment capital of 150 billion VND.

On July 17, 2023, the Solar Power Project was started at Dong Hai Joint Stock Company of Ben Tre.

The company contributed additional capital of 30 billion to Ben Tre Packaging Joint Stock Company, bringing the total charter capital of this subsidiary to 180 billion.

## Representative achievements



Gold Cup Vietnamese brand products integrating into WTO

Gold Cup for leading brands in Vietnam - Vietnamese Brand Magazine

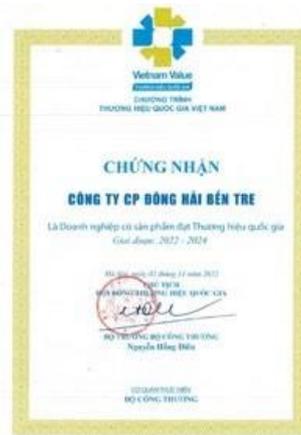


Brand certificates of Dong Hai Joint Stock Company of Ben Tre

## Top 50 best listed companies in Vietnam in 2023



## Representative achievements (continued)



National Branch Certificate – 2022



Golden Cup Brand - Product - Prestige - Quality - 2008



Certificate of Prestigious and Quality Brand - 2009

## Lines of Business

### Lines of Bussiness

Industry and business code	Name of industry and business
1701 (Main)	Producing of pulp, paper and paperboard.
2220	Producing products from plastic.
0332	Inland aquaculture.
1020	Processing and preserving aquatic products and aquatic products.
1702	Production of wrinkled paper, wrinkled cardboard, packaging from paper and cardboard.
1811	Printing.
1812	Printing-related services.
4662	Wholesaling metals and metal ores.
4669	Other specialized wholesale n.e.c.
4620	Wholesale of agricultural and forestry raw materials (except wood, bamboo) and live animals
4632	Wholesale food.
4933	Road freight transport.
4659	Wholesale of other machinery, equipment and spare parts.



# Lines of Business

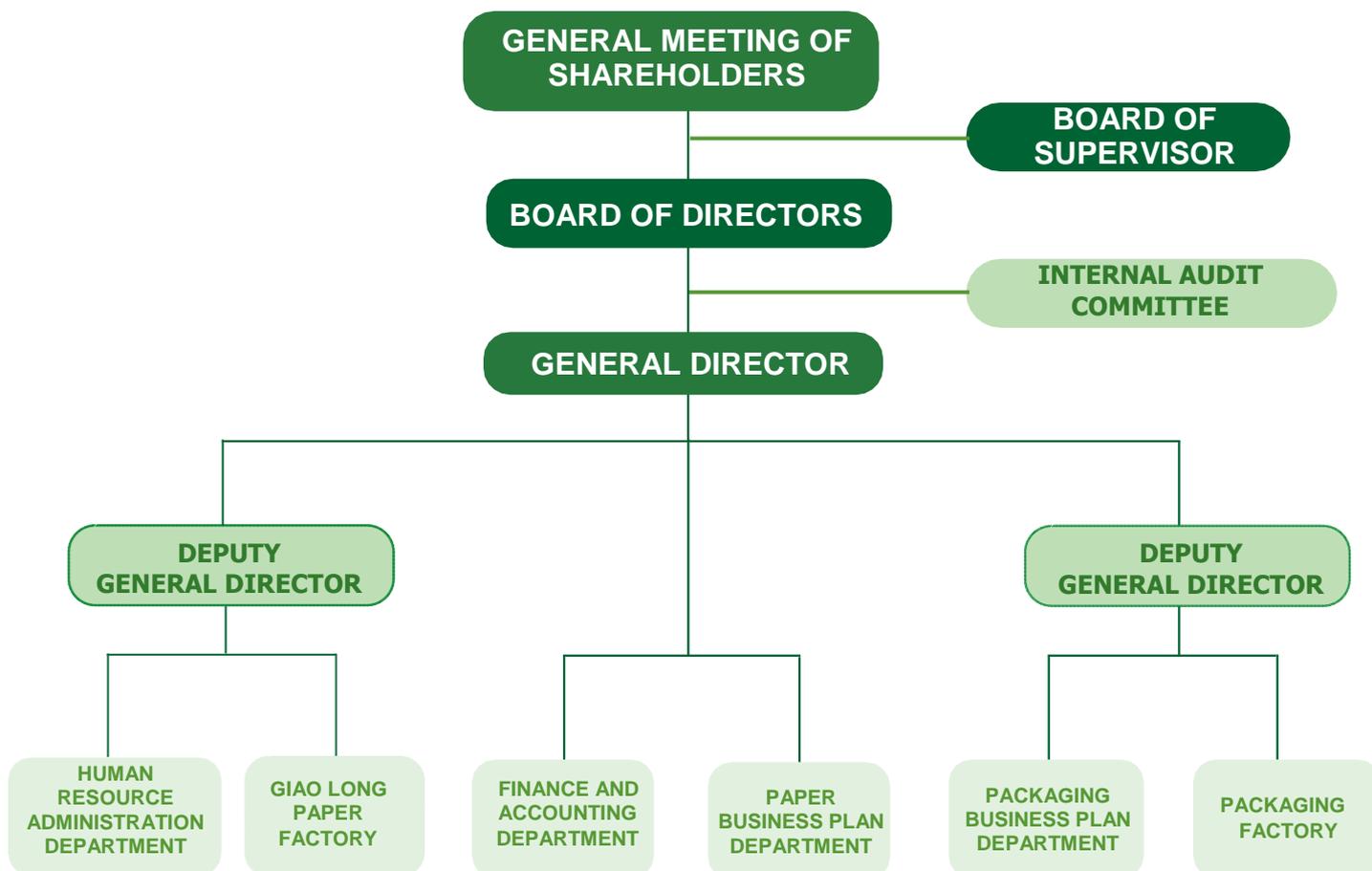
## Business area



The company's main business activities are in the Southern region, especially the two major key economic regions of the country: the Mekong Delta and the Southeast.

# Management model, business organization and management apparatus

## Management apparatus structure



Currently, the Company is operating according to the management model as prescribed in Point a, Clause 1, Article 137 of the Enterprises Law, including the General Meeting of Shareholders, Board of Directors, Supervisory Board and Board of General Directors.

## Governance model, business organization and management apparatus (continued)

### Subsidiary companies, associated Company

No.	Company name	Charter capital (VND)	Lines of Business	Ownership ratio
<b>I. Subsidiary company</b>				
1	Ben Tre Packaging One Member Company Limited	180.000.000.000	Producing and trading in Carton packaging	100,00%
2	Giao Long Paper Joint Stock Company	180.000.000.000	Producing and trading industrial paper	98.32%
<b>II. Associated Company</b>				
1	Tan Cang Giao Long Joint Stock Company	10.000.000.000	Providing port operation and transportation services.	26%



## Development orientation

### Vision

Limiting plastic waste, limiting the use of plastic bags and increasing incentives to use alternative paper packaging are showing signs of widespread and strong development in Vietnam. The outstanding advantages of packaging paper compared to plastic, metal and wooden packaging have made this item gradually become popular in countries around the world. With the desire to both develop a product line that tends to develop effectively, while maintaining the surrounding living environment and protecting the environment, Dong Hai Joint Stock Company of Ben Tre has decided to invest and focus on producing and trading two main product lines: industrial paper and carton packaging. In particular, GIAO LONG PAPER is a key product line, present on the market since 2011, and is increasingly appreciated and trusted by domestic and foreign customers.

Promote and build the environmentally friendly GIAO LONG paper brand, meet consumer trends and contribute to strengthening the Company's development foundation.

With that ideal, Dong Hai constantly strives, dedicates itself to innovation and shares values with its partners and staff. We are always ready and welcome all opportunities and challenges on the journey to realizing our ideals.

### Mission

**“Let’s action for a better life”**

Demonstrating the desire for strong development of Dong Hai Company based on the living environment of the surrounding community in particular and the country of Vietnam in general, with current world trends, products environmentally friendly paper products are gradually replacing plastic products that seriously pollute the environment, contributing to changing people's awareness in the work of protecting the green environment. This is a call for all officers and employees of Dong Hai Joint Stock Company of Ben Tre to think and be aware of improving their sense of responsibility and take practical action in their daily work, including awareness and responsibility in preventing pollution and protecting the environment.



## Development orientation (continued)



### Core values

Core values are the most important values, the soul of the Company. Different from values in the usual sense, the Company's core values aim for depth, sustainability and long-term. At Dong Hai, we are ready to demonstrate and show everyone clearly the Company's core values: "Respect - Fairness - Commitment - Safety - Ethics - Compliance". Dong Hai always works to achieve the most important values that the Company has set.



### The company's main goals

The company operates in the spirit of "DOHACO is committed to bringing maximum benefits to customers" with the main goal of "Developing into a strong enterprise, focusing on 02 industrial paper product lines - carton packaging". The company is also actively looking for new partners to expand the market and increase market share in the industrial paper segment.



### Medium and long-term development strategy

Dong Hai Joint Stock Company of Ben Tre (DHC) is one of the leading paper manufacturing enterprises in Vietnam. With more than 20 years of experience, DHC has affirmed its position in the market and is one of the businesses that has actively contributed to the development of Vietnam's paper industry.

In the period 2023-2030, DHC sets a goal of sustainable development, becoming one of the leading paper manufacturing enterprises in the region, with the following specific goals:

In the long term, the Company's main goal is to improve production technology, improve product quality, reduce production costs, thereby lowering prices and increasing the competitiveness of the business compared to other businesses in same industry.

The Company also focuses on researching and developing recycled, environmentally friendly products that meet consumer trends and contribute to developing the Company's core values.

Focus on expanding and developing the domestic market, promoting and building the GIAO LONG paper brand to increase product competitiveness against domestic and foreign competitors. The company also focuses on finding export opportunities to countries in the region.

Building a human resource development strategy through recruitment and training, improving workers' skills, and developing management skills.

## Development orientation (continued)



### Sustainable development goals

The Board of Directors and Executive Board of the Company always determine that sustainable development is the most important goal. In particular, environmental, social and community issues are one of the focuses that the Company pays special attention to and takes practical actions.

Especially as a paper and packaging manufacturing enterprise, the Company is always aware that the production and business activities of enterprises, whether large or small, have certain impacts on the surrounding environment. Therefore, the Company always attaches great importance to environmental protection, considering this as one of the key tasks of the business. To minimize the impact on the environment, the Company has focused on investing in wastewater treatment systems. DHC's wastewater treatment system is designed and operated according to national standards, ensuring thorough treatment of pollutants in wastewater and meeting discharge standards.

In addition, DHC always cares about the life, health and spirit of its employees. Focus on organizing union and social activities to enhance the spirit of solidarity of workers. With the goal of improving the quality of life for employees, the company has built and completed many social policies, salaries, bonuses,... for officers and employees at the enterprise.



## Risks during operation

### Economic risk

The war between Russia and Ukraine has seriously disrupted the global supply chain, especially for goods such as oil, gas, food, etc. This has led to an increase in raw material prices increase, putting pressure on inflation and consumer purchasing power. The political conflict between China and Taiwan is also a potential threat to the global supply chain. If this conflict escalates, it could make the transportation of goods between China and Taiwan more difficult, disrupting production and business activities of businesses around the world.

Vietnam is a country that actively participates in the process of international economic integration. However, when the global economy faces difficulties and slows down, it is inevitable that Vietnam's economy will be negatively affected. The packaging industry, like many other industries, also faces a series of difficulties in this context. First, the global economic recession covers the difficulties the packaging industry is facing. Specifically, the index of industrial production (IIP), for the first 8 months of 2023, is estimated to decrease by 0.4% compared to the same period last year (the same period in 2022 increased by 9.2%). Facing the decline in industrial production, domestic packaging output also slowed down in the first months of the year. However, in the last month of 2023, the macroeconomy will gradually stabilize, interest rates will be lowered and inflation will be under control, the Government will have policies to stimulate consumption to restore aggregate demand such as a 2% reduction in value added tax.



According to the General Statistics Office, gross domestic product (GDP) in the third quarter of 2023 is estimated to increase by 5.33% over the same period last year, although only higher than the growth rate of the same period in 2020 and 2021 during the period 2011-2023 but with a positive trend (first quarter increased by 3.28%, second quarter increased by 4.05%, third quarter increased by 5.33%). The packaging industry in the last months of this year is unlikely to have a breakthrough growth, but it can recover slightly when IIP has been on an upward trend since the middle of the second quarter. In order to adapt and face the challenges of the current economy, packaging businesses in general and the Company in particular should prioritize solutions such as expanding markets, diversifying raw material suppliers, ... at the same time, based on reliable information sources to determine the most suitable production and business strategy for the paper market's product consumption, improving risk management to limit strategic decisions, inappropriate policies as well as minimizing damage to the Company.



## Risks during operation (continued)

### Raw materials risk

OCC paper (Old Corrugated Container) or old carton paper is DHC's main input material, accounting for more than 70% of the business's production costs. In particular, the main supply is imported from the US, EU, and Japan. Currently, world OCC prices are also fluctuating due to the Red Sea situation. The shortage of OCC paper causes difficulties in purchasing raw materials, affecting the Company's business plan and profits. Besides, transportation costs are also a factor of concern for manufacturing companies. According to calculations by the Vietnam Association of Logistics Services Businesses, Vietnam's logistics costs average 16.8%-17% of GDP, much higher than the world average of 10.6%. Therefore, to limit the risk of input raw materials and related costs, the Company needs to have specific plans on supplying raw materials to each factory, proactively find additional foreign sources of raw materials to ensure timely supply when there is a shortage of domestic materials.



### Legal risk

Dong Hai Joint Stock Company of Ben Tre operates under the Vietnamese legal system, including Enterprise Law, Securities Law, Environmental Protection Law,... through the operating model of a listed joint stock company on HOSE floor. In addition, the Company is also influenced by agreements signed between Vietnam and other countries on multilateral trade cooperation. During the process of business formation and operations, changes in the law will more or less impact the Company's operations and medium and long-term strategies. Therefore, The Company need to regularly monitor and update information, in order to set business goals and strategies in accordance with the law, avoiding negative impacts on the business image.

## Risks during operation (continued)

### Environmental risk

The paper and packaging industry contributes significantly to the economy, but also poses many potential risks to the environment. Businesses in the same industry in general and the Company are tending to focus on investing in production systems, waste treatment, exhaust gas, etc. to increase business efficiency and at the same time ensure environmental safety. One of the goals that businesses are aiming for is "Sustainable Development". This is an important goal to promote development and create further value for the packaging industry. This is a direction to help brands increase recognition and support from customers, while actively contributing to environmental protection and sustainable development.



## Risks during operation (continued)

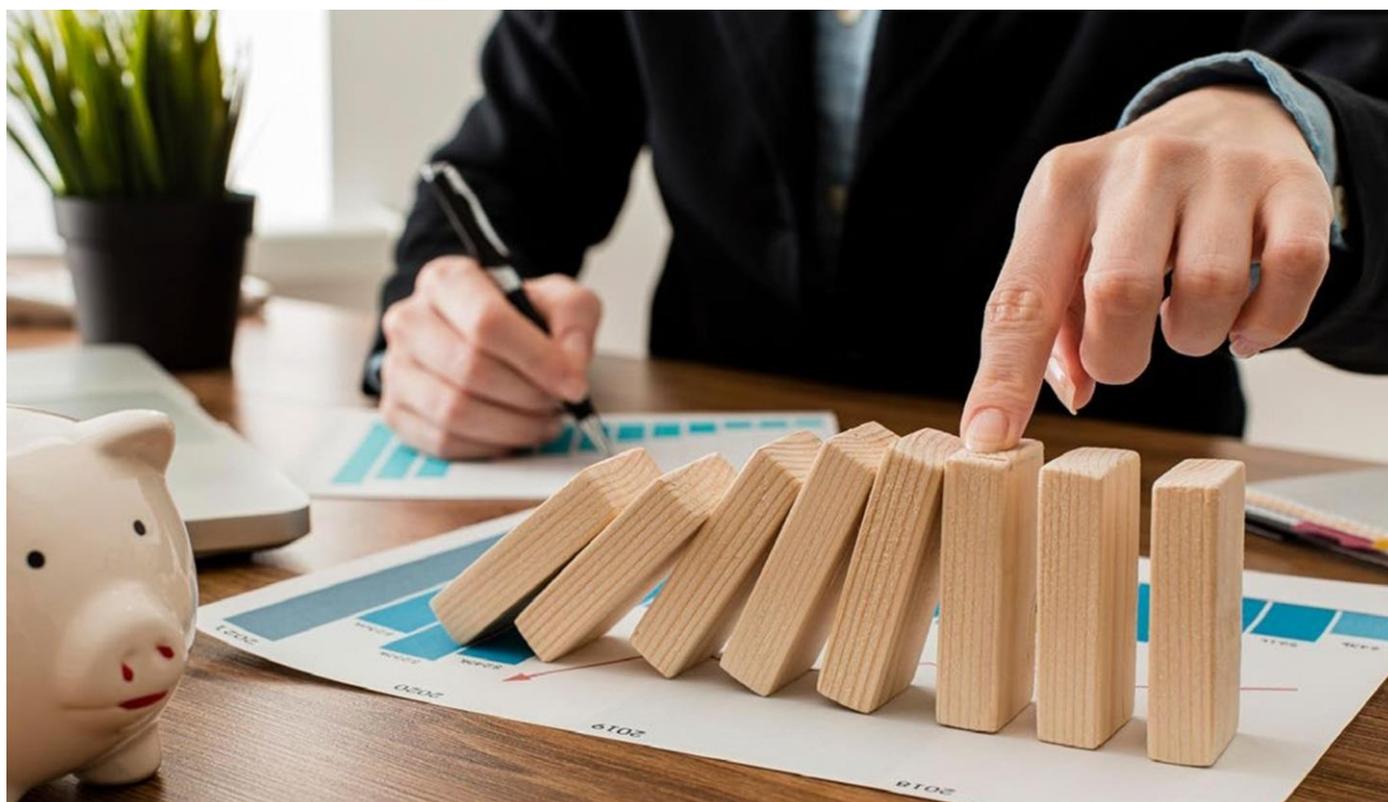
### Occupational safety risk

Due to the specific nature of the manufacturing industry, most workers have to perform heavy work and work in environments with high dust density and noisy machinery. From there, it shows the importance of an effective labor safety management system for workers. Therefore, this is one of the issues that the Company's leadership always focuses on.

Specifically, the equipment in the workshop is always inspected regularly, and at the same time, the medical records of the Company and business are reviewed. Equip workers with full body protective gear when working to prevent the impact of work on their health. In addition, the Company also guides workers to self-assess labor safety risks and surveys dangerous factors that can cause injury, illness and reduce workers' health at the workplace to evaluate and improve labor safety risk management.

### Other risks

In addition to the risks mentioned above, natural disasters, floods or fires are also among the unpredictable risks that can directly affect the Company's production and business activities. In particular, the characteristics of Dong Hai Joint Stock Company Ben Tre is an enterprise in the field of paper products, production items are prone to fire and explosion, causing great damage to the Company. Therefore, paper industry enterprises in general and the Company in particular need to train public officials and employees in enterprises on fire and explosion prevention measures to avoid loss of life and property.





02

## Yearly Operations

Situation of production and business operations

Organization and Human resource

Investment activities, project implementation

Financial situation

Structure of shareholders, changes of owner's investment capital

Report on environmental and social impact

## Situation of production and business

### Results of production and business activities during the year

Unit: VND

Target	Result 2022	Plan 2023	Result 2023	Result 2023/Plan 2023	Result 2023/Result 2022
Total revenue	3.961.168.216.377	3.240.000.000.000	3.297.773.181.785	101,78%	83,25%
Total cost	(3.582.233.325.621)	-	(2.987.103.800.641)	-	83,39%
Profit before tax	437.158.856.519	-	358.098.054.289	-	81,91%
Profit after tax	379.458.584.417	300.000.000.000	309.338.388.739	103,11%	81,52%

2023 is a difficult year for businesses in the paper and packaging industry under the impact of a situation where supply far exceeds demand and consumer demand plummets. The economic situation is very complicated, the phenomenon of economic recession is widespread, not only in Vietnam but also globally. Besides, the political situation in the world also partly affects the purchase, price of raw materials and transportation of goods. This is truly the most difficult time for the paper industry in the past 10 years.

In fact, the paper industry is the main industry supporting the production of most fields, so recently when the manufacturing industry declined, it also led to a decline in paper consumption.

The packaging industry is one of the important factors in the production and consumption of goods. With many fluctuations in the world economic situation, it has affected the economy in Vietnam, including the packaging industry. Vietnamese packaging faces many challenges and opportunities in 2023. Businesses' difficulties also come from competition between competitors in the industry. This is partly due to the decrease in consumer demand for goods, leading to a decrease in the amount of packaging, increasing the pressure on packaging manufacturers to reduce costs to create a competitive advantage over competitors.

### Revenue structure

Unit: VND

Target	Value in 2022	Value in 2023	% 2023/2022
Revenue from sales of goods	3.935.865.493.523	3.261.255.035.745	82,86%
Deductions	(1.138.734.067)	(2.346.494.143)	206,06%
Shares of profit of associates	329.362.626	1.894.842.717	575,31%
Financial income	20.631.569.074	29.113.353.819	141,11%
Other income	5.480.525.221	7.856.443.647	143,35%

## Organization and Human Resource

### List of the Board of Directors

No.	Member	Position	Number of shares	Ratio
1	Mr. Luong Van Thanh	Chairman, Vice General Director	4.561.417	5,67%
2	Mr. Le Ba Phuong	Vice Chairman, General Director	7.015.008	8,72%
3	Mr. Nguyen Thanh Nghia	Member of the BOD	10.877.019	13,5%
4	Mr. Marco Martinelli	Member of the BOD	186.875	0,23%
5	Mr. Duong Thanh Cong	Member of the BOD	904.250	1,12%



### Changes in the Board of Directors

None

## Organization and Human Resource (continued)

### Profile of the Board of Directors



**Date of birth:** 12/11/1962

**Qualification:** Bachelor of Economics

**Current position:** Chairman of the BOD, Vice General Director

**Number of shares held:** 4.561.417 shares

**Position at another company/organization:**

- Member of the BOD of Giao Long New Port JSC
- Chairman of the BOD of Giao Long JSC

**Working process:**

- 1986 – 1999: Vice Head of Technical Planning Department of Construction and Construction Materials Company
- 2003 – 2012: Head of Management - District 2 Housing Development and Management Company
- 2012 – 2014: Vice General Director of Dong Hai Joint Stock Company of Ben Tre
- 2014 – 2017: Member of the BOD/Vice General Director of Dong Hai Joint Stock Company of Ben Tre
- 2017 – 2020: Vice Chairman of the Board of Directors / Vice General Director of Dong Hai Joint Stock Company of Ben Tre
- 2020 – Now: Chairman of the Board of Directors /Vice General Director of Dong Hai Joint Stock Company of Ben Tre

## Organization and Human Resource (continued)

### Profile of the Board of Directors (continued)



**Date of birth:** 20/11/1964

**Qualification:** Bachelor of Economics

**Current position:** Vice Chairman of the BOD/ General Director

**Number of shares held:** 7.015.008 shares

**Position at another company/organization:**

- Chairman of Ben Tre Packaging One Member Limited Company
- Member of the BOD of Thu Duc Steel JSC
- Member of the BOD of Giao Long Paper JSC

**Working process:**

- 1987 – 2012: Working at Ben Tre Seafood Import-Export Joint Stock Company
- 2012 – 2013: Member of the Board of Directors / Vice General Director of Dong Hai Ben Tre
- 2013 – 2014: Member of the Board of Directors / General Director of Dong Hai Ben Tre
- 2014 – 2020: Chairman of the Board of Directors / General Director of Dong Hai Ben Tre
- 2020 – Now: Vice Chairman of the Board of Directors / General Director of Dong Hai Ben Tre

## Organization and Human Resource (continued)

### Profile of the Board of Directors (continued)



**Date of birth:** 27/11/1963

**Qualification:** Bachelor

**Current position:** Member of the Board of Directors

**Number of shares held:** 10.877.019 shares

**Position at another company/organization:**

- Chairman of Dai Thien Loc Steel One Member Co., Ltd
- Chairman of the Board of Directors of Dai Thien Loc Corporation
- Vice Chairman of the BOD of Giao Long Paper JSC
- General Director of Giao Long Paper JSC

**Working process:**

- 1993 – 2001: Vice Head, Head of Department of Ho Chi Minh City Seafood Import and Export Company
- 2001 – 2007: President of the BOM/Director of Dai Thien Loc Steel One Member Limited Company
- 2007 – 2020: Chairman of the Board of Directors of Dai Thien Loc Corporation
- 2012 – 2013: : Member of the Board of Directors of Ben Tre Seafood Import-Export Joint Stock Company
- 2012 – 2017: Vice Chairman of the Board of Directors of Dong Hai Joint Stock Company of Ben Tre
- 2020 – 2022: Vice Chairman of the Board of Directors of Dai Thien Loc Corporation
- 2022 – Now: Chairman of the Board of Directors of Dai Thien Loc Corporation
- 2017 – Now: Member of the Board of Directors of Dong Hai Joint Stock Company of Ben Tre

## Organization and Human Resource (continued)

### Profile of the Board of Directors (continued)



**Date of birth:** 11/12/1978

**Qualification:** Bachelor

**Current position:** Member of the Board of Directors

**Number of shares held:** 186.875 shares

**Position at another company/organization:**

- Member of the BOD of Turicum Investment Management AG
- Member of the BOD of Tim Vietnam JSC
- Member of the BOD of Giao Long Paper JSC

**Working process::**

- 1998 – 1999: Officer of Credit Suisse Bank Switzerland
- 2000 – 2007: Asset Management of Turicum Investment Management AG
- 2007 – 2013: Fund management of T.I.M Vietnam Tiger Fund
- 2013 – 2016: Portfolio management of Dragon Capital Group
- 2016 – 2018: Director of Turicum Investment Management AG
- 2020 – Now: Member of the Board of Directors of Dong Hai Joint Stock Company of Ben Tre

## Organization and Human Resource (continued)

### Profile of the Board of Directors (continued)

05

Mr. Duong Thanh Cong

Member of the BOD

**Date of birth:** 03/02/1989

**Qualification:** Bachelor

**Current position:** Member of the Board of Directors

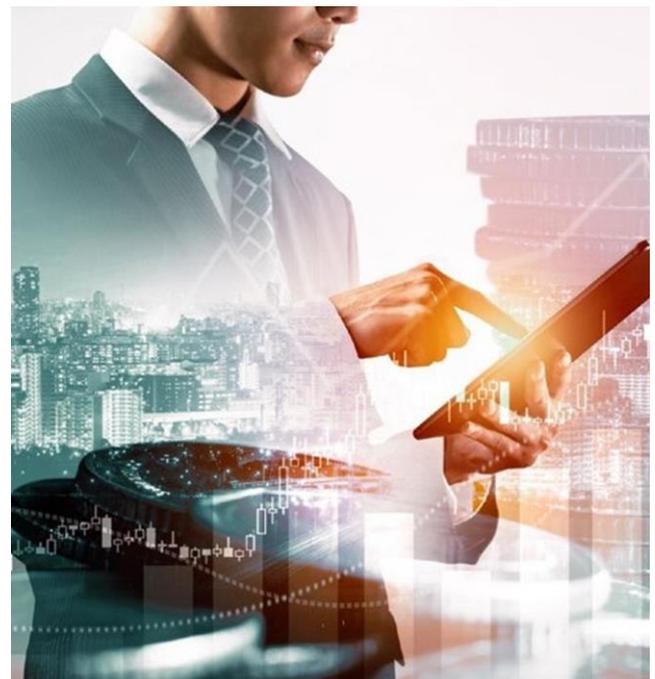
**Number of shares held:** 904.250 shares

**Position at another company/organization:**

- Chairman of the Board of Directors, Vice General Director of Thanh Cong Energy Service Corporation
- Vice General Director of Thuan Hai Corporation

**Working process:**

- 2017 – Now: Vice General Director of Thuan Hai Corporation
- 2017 – Now: Chairman of the Board of Directors, Vice General Director of Thanh Cong Energy Service Corporation
- 2022 – Now: Member of the Board of Directors of Dong Hai Joint Stock Company of Ben Tre



## Organization and Human Resource (continued)

### List of the Board of Supervisory

No.	Member	Position	Number of Shares held	Ratio
1	Ms. Doan Thi Bich Thuy	Head of Supervisory Board	22.252	0,03%
2	Ms. Doan Hong Lan	Member of Supervisory Board	460	0%
3	Mr. Nguyen Quoc Binh	Member of Supervisory Board	798.348	0,99%

### Changes in the Board of Directors

None

### Profile of the Board of Supervisory



**Date of birth:** 11/05/1985

**Qualification:** Bachelor of Accounting

**Current position:** Head of Supervisory Board

**Number of shares held:** 22.252 shares

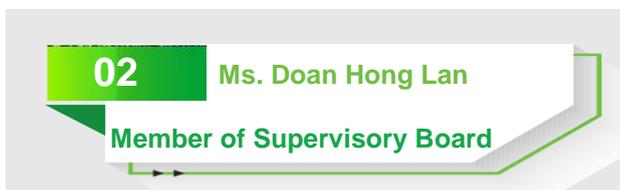
**Position at another company/organization:** None

#### Working process:

- 2005 – 2007: Accountant of Dai Thien Loc Steel Limited Company
- 2007 – 2011: Accountant of Dai Thien Loc Corporation
- 2011 – 2018: Head of Supervisory Board of Dai Thien Loc Corporation
- 2017 – Now: Head of Supervisory Board of Dong Hai Joint Stock Company of Ben Tre
- 2018 – Now: Head of Internal Audit Committee of Dai Thien Loc Corporation

## Organization and Human Resource (continued)

### Profile of the Board of Supervisory (continued)



**Date of birth:** 17/04/1986

**Qualification:** Bachelor of Business Administration

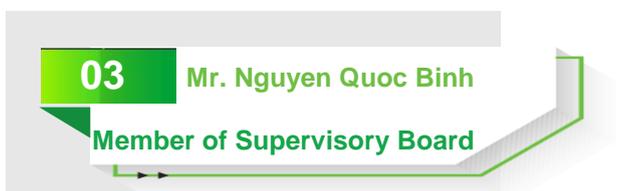
**Current position:** Member of Supervisory Board

**Number of shares held:** 460 shares

**Position at another company/organization:** None

#### Working process:

- 2006 – 2009: Officer of Planning Department of Dong Hai Joint Stock Company of Ben Tre
- 2009 – Now: Personnel officer of Dong Hai Joint Stock Company of Ben Tre
- 2012 – Now: Member of the Supervisory Board of Dong Hai Joint Stock Company of Ben Tre



**Date of birth:** 26/05/1977

**Qualification:** Bachelor of Economics

**Current position:** Member of Supervisory Board

**Number of shares held:** 798.348 shares

**Position at another company/organization:** None

#### Working process:

- 01/2007 - 09/2007: Analyst at Viet Phat Investment Company
- 09/2007 - 2018: Senior investment specialist at SSI Fund Management Co., Ltd
- 06/2016 - 2018: Member of the Supervisory Board of Dong Hai Joint Stock Company of Ben Tre
- 06/2022 - Now: Member of the Supervisory Board of Dong Hai Joint Stock Company of Ben Tre

## Organization and Human Resource (continued)

### The Management Board

No.	Member	Position	Number of shares	Ratio
1	Mr. Le Ba Phuong	Chairman of the BOD / Vice General Director	7.015.008	8,72%
2	Mr. Luong Van Thanh	Vice Chairman of the BOD / General Director	4.561.417	5,67%
3	Ms. Ho Thi Song Ngoc	Vice General Director	276.011	0,34%
4	Ms. Nguyen Hong Thanh	Chief Accountant	-	-

### Changes in The Management Board

None

### Profile of the Management Board



Please see the Board of Directors Profile

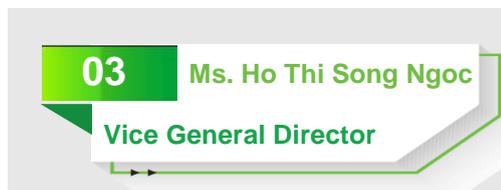


Please see the Board of Directors Profile



## Organization and Human Resource (continued)

### Profile of the Management Board (continued)



**Date of birth:** 11/02/1983

**Number of shares held:** 276.011 shares

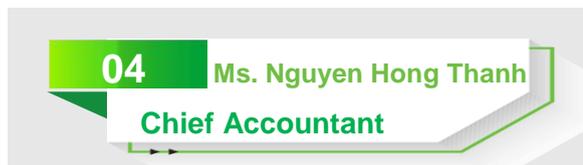
**Qualification:** Bachelor of Economics

**Position at another company/organization:** None

**Current Position:** Vice General Director

#### Working process:

- 2005 – 2008: Receiving and deploying orders from the Department of Planning and Investment of Dong Hai Joint Stock Company of Ben Tre
- 2008 – 2010: Vice Sales Director – Dong Hai Joint Stock Company of Ben Tre
- 2010 – 2012: Sales Director – Dong Hai Joint Stock Company of Ben Tre
- 2010 – 2017: Member of the BOD, Vice General Director of Dong Hai Joint Stock Company of Ben Tre
- 2017 – Now: Vice General Director of Dong Hai Joint Stock company of Ben Tre
- 04/2020 - Now: Director – Ben Tre Packaging One Member Limited Company



**Date of birth:** 06/01/1986

**Number of shares held:** None

**Qualification:** Bachelor of Economics

**Position at another company/organization:** Head of Supervisory Board of Giao Long Newport Joint Stock Company

**Current position:** Chief Accountant

#### Working process:

- 07/2011 – 09/2014: Payment Accountant of Saigon Shipbuilding and Repairing Factory Co., Ltd
- 02/2014 – 09/2015: Accountant of Representative Office Allergan Singapore PTE LTD in HCMC
- 04/2017 – 08/2018: General Accountant of Stylish Distribution Co., Ltd
- 09/2018 – 03/2020: General Accountant of Marou Chocolate Co., Ltd
- 12/2021 – 12/2022: General Accountant of Dong Hai Joint Stock Company of Ben Tre
- 01/2023 – Now : Chief Accountant of Dong Hai Joint Stock Company of Ben Tre

## Organization and Human Resource (continued)

### Staff Situation

Target	In 2023	
	Number (people)	Rate
<b>By level</b>	<b>564</b>	<b>100,00%</b>
Post-graduate	1	0,18%
University, College	187	33,16%
Intermediate	42	7,45%
Worker	17	3,01%
Unskilled labor	317	56,21%
<b>By term of the labor contract</b>	<b>564</b>	<b>100,00%</b>
Short-term contract less than 1 year	3	0,53%
Definite-term labor contract	195	34,57%
Indefinite-term labor contract	366	64,89%
<b>By gender</b>	<b>564</b>	<b>100,00%</b>
Male	496	87,94%
Female	68	12,06%

### Average Salary

Target	2021	2022	2023
Total number of employees (people)	532	564	564
Average salary (VND/person/month)	12.220.000	12.001.646	11.664.553

## Organization and Human Resource (continued)

### Policy for employees

#### About salary, bonus, and compensation

The company always ensures the rights of employees in accordance with the law. In addition, the company also has special incentive policies to encourage and recognize employees' contributions. Specifically, the company organizes periodic and extraordinary rewards for individuals and organizations with outstanding achievements during the year or with breakthrough ideas. Besides, the company also places importance on employee well-being by conducting regular health check-ups to monitor and provide timely support to individuals affected by the work environment.

#### About recruitment

The company's recruitment policy aims to ensure a fair and transparent process. The goal is to recruit based on qualifications and experience suitable for each specific position. Each position will have its own clearly defined recruitment criteria, in order to find the best candidates for the Company.

#### Training

The company places significant importance on employee training and upskilling to ensure efficient operations and workplace safety. Through regular training programs on various topics such as occupational safety and health, crane and forklift operation, ISO standards, 5S methodology, first aid, and fire prevention drills for its staff. The company ensures that employees are updated and proficient in the latest skills relevant to their roles. The company is committed to investing strongly in employee training and development, in order to build a professional, dynamic and creative staff team, contributing to improving the competitiveness of the business.



## Organization and Human Resource (continued)

### Policy for employees (continued)

#### Work environment

The company arranges reasonable working hours, ensures salary benefits, and social policies for employees with the goal of building a healthy, friendly and professional working environment, like a second home of workers. In particular, the Company regularly organizes entertainment and union activities, as a spiritual gift to help employees relieve stress and become more connected to the company.



#### Safety policy to protect labor

The company not only focuses on investing in training and improving employee skills, but also cares about ensuring employee safety and health during work. To ensure employee safety, the company provides suitable uniforms and personal protective equipment for each job position. Uniforms and labor protection help employees ensure safety and professionalism at work. In addition, the Company also organizes training classes on occupational safety and hygiene, first aid, and fire prevention drills for employees. These training courses help employees improve their awareness of labor safety, know how to handle emergency situations, and ensure safety for themselves, their colleagues, and the business. The company commits to continue investing in activities to ensure safety and health for employees, building a safe and healthy working environment, contributing to improving labor productivity and production and business efficiency.

## Status of investment and implementation of projects

### Investments

#### Paper Factory Project - Giao Long Paper Joint Stock Company

No.	Target	Details
1	Name of project	The Paper Factory
2	Total investment capital for project implementation	1.800.000.000.000 VND (In words: One thousand eight hundred billion VND)
3	Project implementation location	Lots CN08, CN09, CN10, CN12, CN13-Long Phuoc Industrial Cluster, Chau Thanh District, Ben Tre Province, Vietnam.



#### Solar Power Project

On July 17, 2023, the Solar Power Project was just started at Dong Hai Joint Stock Company of Ben Tre. At the project, Ecoligo Co., Ltd. will be responsible as an Investor throughout the cooperation period and the general contractor is Ngan Long Trading Co., Ltd., an enterprise with many years of experience in the field of solar energy installation. The total capacity of the project is 3,373 KWP. The groundbreaking event showed the enthusiasm, high sense of responsibility, and determination to speed up progress and complete the project on time as expected by all cooperating units. Dong Hai hopes this project will contribute to saving electricity, meeting green production criteria, protecting a green - clean - beautiful environment and responding to climate change, while keeping up with usage trends. Clean energy - renewable energy today globally.

Rooftop solar power is a type with many outstanding benefits that helps save space, effectively increase heat protection for factory roofs, save monthly electricity costs and be especially proactive in production and business activities of business. The "green" production model that helps businesses develop sustainably is what Dong Hai always aims for and tries its best.

## Status of investment and implementation of projects (continued)

### Invest in Subsidiaries, Associated Company

#### Subsidiaries

**Ben Tre Packaging One Member Limited Company:** Since its official operation in April 2022, the company has achieved a total revenue of over 236,16 billion VND. The factory operates in a stable manner, actively expanding its market presence, and ensuring product quality to meet customer demands.

**Giao Long Paper Joint Stock Company:** The company is currently in the process of implementing the necessary legal procedures and setting up the paper mill project according to the planned schedule.

#### Associated Company

**Giao Long New Port Joint Stock Company:** In 2023, the company's operations are relatively stable. Total revenue achieved in the year was over 61 billion VND. The company is actively focusing on market development in Ben Tre Province and the surrounding provinces in the Mekong Delta region. The establishment and regular operation of Giao Long New Port Joint Stock Company, along with the connecting waterway transport route, have proven beneficial in reducing road traffic congestion, saving time and costs for customers, and providing an alternative to traditional transportation methods.



## Financial situation

Unit: VND

Goal	2022	2023	% 2023/2022
The total value of assets	2.882.483.173.364	2.915.097.525.252	101,13%
Net revenue	3.934.726.759.456	3.258.908.541.602	82,82%
Profits from business activities	432.349.018.066	350.550.348.467	81,08%
Other profits	4.809.838.453	7.547.705.822	156,92%
Profit before tax	437.158.856.519	358.098.054.289	81,91%
Profit after tax	379.458.584.417	309.338.388.739	81,52%
Dividend payout ratio	30%	20%	66,67%

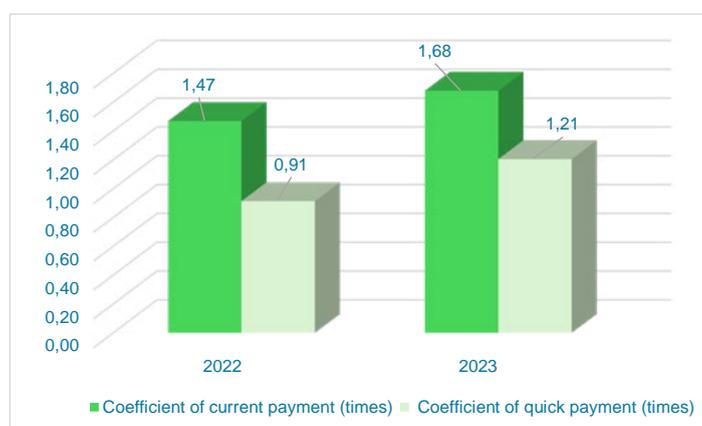
## Financial situation

Goal	Unit	2022	2023
<b>Payability criteria</b>			
Coefficient of short-term payment	Times	1,47	1,68
Coefficient of quick payment	Times	0,91	1,21
<b>Capital structure criteria</b>			
Coefficient of Debt/Total assets	%	39,24%	36,47%
Coefficient of Debt/Equity	%	64,59%	57,41%
<b>Operational capacity criteria</b>			
Inventory turnover	Loop	7,01	4,86
Asset Turnover	Loop	1,49	1,12
<b>Profitability criteria</b>			
Profit after tax/Net revenue	%	9,64%	9,49%
Profit after tax/Equity	%	21,67%	16,70%
Profit after tax/Total assets	%	13,16%	10,61%
Profit from business activities/Net revenue	%	10,99%	10,76%

## Financial situation (continued)

### Payability criteria

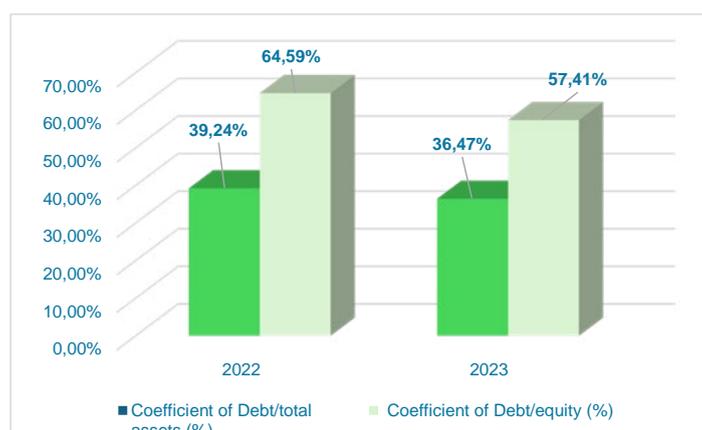
The Company's solvency indicators in 2023 will achieve growth, with the Current Ratio increasing to 1.68 times (compared to 1.47 times in 2022), Quick Ratio reaching 1.21 times (compared to 0.91 times in 2022). The reason is that the Company's short-term debt decreased, mainly in accounts payable to sellers along with taxes and other payables to the state.



Both solvency coefficient reached more than 1 in 2023, which not only demonstrates the company's ability to promptly meet short-term financial obligations but also reflects a flexible and efficient finance management strategy. The reduction of short-term debt shows the Company's financial potential, along with its policy of maintaining financial stability and optimizing capital structure.

### Capital structure criteria

By reducing short-term debt, it helps reduce the Company's total liabilities. From there, the Coefficient of debt/total asset and Coefficient of debt/equity in 2023 decrease compared to 2022. Specifically, in 2023, the Coefficient of debt/total asset reaches 36.47% (down compared to ratio of 39.24% in 2022), The Coefficient of debt/equity reaches 57.41% (down from 64.59% in 2022).



In a difficult and volatile economic situation, restructuring capital is a good measure to ensure financial security for the Company. In addition, focusing on paying debts payable to sellers demonstrates good solvency and enhances the Company's reputation with input supply partners.

## Financial situation (continued)

### Operational capacity criteria

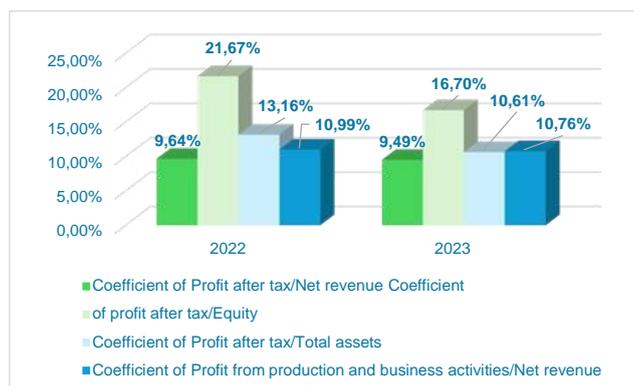
In 2023, in general, the demand for paper industry will decrease, the Company's business activities will also be affected a lot, the Company's net revenue as well as cost of goods sold in 2023 will decrease compared to the same period. Since then, the Company's inventory turnover and total asset turnover have fluctuated and tended to decrease.



With the above fluctuating situation, inventory management is an issue that the Company focuses on as it always tries to set appropriate inventory levels to both optimize resources and ensure the Company's production activities.

### Profitability criteria

The Company's profitability indicators in 2023 will decrease slightly compared to 2022, due to the general difficult situation of the paper industry. Specifically, the achieved targets are as follows: profit after tax/net revenue coefficient reached 9.49%; The average profit after tax/equity coefficient reached 16.70%, the average profit after tax coefficient/total assets reached 10.61%, reaching the Profit coefficient from production and business activities / net revenue reached 10.76%.



## Shareholder structure, change in owner's investment

### Stock information

Dong Hai Joint Stock Company of Ben Tre officially listed and traded shares on the Ho Chi Minh City Stock Exchange (HOSE) with the stock code: **DHC**



**Type of share:** Common share

**Total number of shares issued:** 80.493.048 shares

**Total outstanding shares:** 80.493.048 shares

**Number of treasury stocks:** None

**Par value of shares:** 10.000 VND/share

**Number of freely transferable shares:** None

**The number of shares is limited in transfer:** None



### List of major shareholders

No.	Full name	Number of shares	Ownership/charter capital ratio (%)
1	Mr.Luong Van Thanh	4.561.417	5,67%
2	Mr.Le Ba Phuong	7.015.008	8,72%
3	Mr.Nguyen Thanh Nghia	10.877.019	13,51%
4	Ms.Nguyen Thi Thuy	5.491.248	6,82%
5	KWE BETEILIGUNGEN AG	11.885.488	14,77%

## Shareholder structure, change in owner's investment capital (continued)

### Shareholder structure

No.	Type of shareholder	Number of shareholder	Number of shares	Value (VND)	Ownership ratio
I	State shareholders	-	-	-	-
II	Major shareholders (From 5% or more)	5	39.830.180	398.301.800.000	49,48%
1	Domestic	4	27.944.692	279.446.920.000	34,72%
2	Foreign	1	11.885.488	118.854.880.000	14,77%
III	Other shareholders	4.009	40.662.868	406.628.680.000	50,52%
1	Domestic	3.847	24.407.642	244.076.420.000	30,32%
2	Foreign	162	16.255.226	162.552.260.000	20,19%
IV	Treasury Stock	-	-	-	-
<b>Total (I + II + III + IV)</b>		<b>4.014</b>	<b>80.493.048</b>	<b>804.930.480.000</b>	<b>100,00%</b>

Maximum foreign ownership ratio: 50%

### Situation of changes in owner's investment capital

Year	Owner's investment capital (VND)
2017	344.597.690.000
2018	413.515.490.000
2019	559.957.830.000
2020	559.957.830.000
2021	699.944.230.000
2022	699.944.230.000
2023	804.930.480.000

### Trading treasury stocks

Not arising in 2023

### Other stocks

Not arising in 2023

# Report on environmental and social impacts

## Environmental impact

In the context of increasing concern about environmental protection, businesses in the paper industry face many big challenges in minimizing negative impacts on nature and surrounding communities. With a large production scale, the Company not only moves towards more sustainable production methods but also pay special attention to developing and implementing effective measures to prevent and respond to environmental incidents. This includes planning to respond to environmental incidents according to the latest regulations and investing in a modern, closed waste treatment system that meets international standards and treats all generated waste. from production. The company has signed garbage and waste treatment contracts with third parties specializing in handling household waste such as Ben Tre Urban Project Joint Stock Company, and hazardous waste collection units such as Veritas Environment Company Limited,... At the same time, the Company has built a wastewater treatment system with a design capacity of 4,900 m<sup>3</sup> /day and night.

To continue the efforts that have been made, the Company pays special attention to developing and implementing effective measures to prevent and respond to environmental incidents. This is not only necessary to ensure environmental safety in increasingly improved production conditions, but is also an important factor in enhancing corporate trust and social responsibility. Implementing specific and timely incident prevention strategies will help minimize potential risks that may arise, and at the same time, build response plans that are ready to operate effectively in the event of emergency situation occurs.

Specifically, the Company has established an Environmental Incident Response Plan as prescribed in Decree 08/2022/ND-CP and sent it to the Management Board of Industrial Parks of Ben Tre province.

## For fire incidents

The Company has implemented fire prevention and fighting measures (“fire protection”) in accordance with the law and complied with standards TCVN 2622-1995, TCVN 5760-1993, TCVN 5738-1993. The fire protection system includes CO<sub>2</sub> gas cylinders and fire extinguishers located in areas at risk of fire and explosion. In addition, the factory is also equipped with firefighting equipment cabinets and fire alarm systems in production areas and warehouses, along with a 2,500m<sup>3</sup> water reservoir that has also been built to serve firefighting purposes.

To improve response capacity, the company has established a specialized fire prevention team and a grassroots fire prevention team, periodically training and coaching, along with organizing annual fire prevention drills. Other safety measures include banning smoking and lighters in factory areas, and all outside contractors must sign a safety policy commitment when working at the company. When a fire or explosion incident occurs, the company has a decentralized response plan based on the danger level of the incident, coordinating with the local fire protection force and companies in the industrial park to handle it effectively.



## Report on environmental and social impacts (continued)

### Environmental impact (continued)

#### For lightning protection system

Lightning protection systems have been installed at high positions in factory areas to protect the safety of production activities. This system includes lightning rods and electrostatic collectors, along with the application of new technologies in improving lightning protection systems. The system's grounding resistance is designed to match the soil resistivity, ensuring the shock resistance is below  $10\Omega$  when the soil resistance is below  $50,000\Omega/\text{cm}^2$  and above 100 when the soil resistivity is exceed  $50,000\Omega/\text{cm}^2$ . The lightning protection system positions pillars 10 - 14 meters high to fully protect the factory. In addition, the system is inspected annually by a competent unit to ensure effective and safe operation, especially in storms and lightning conditions.

#### For fuel leak prevention

To ensure the safe and efficient operation of raw material warehouses and transportation vehicles, the company has applied detailed fuel leak prevention measures as follows:

- Regular check technical systems at warehouses and transportation vehicles.
- Ensure the raw material and product storage system comply with Vietnamese standards on technique and safety.
- Implement strict technical and safety regulations during the fuel import and export process.
- When a leak occurs, quickly determine the cause and location, stop related operations and report to functional units for remediation.



## Report on environmental and social impacts (continued)

### Environmental impact (continued)

#### Measures to prevent and respond to chemical incidents

In order to minimize and effectively handle chemical leaks or spills, the company has implemented a series of specific chemical incident prevention and response measures:

- Arrange chemicals neatly, ensure sealed packaging, do not stack too high.
- Periodically check the status of chemicals in the warehouse.
- Check packing and drums containing chemicals during import to prevent leaks.
- Use non-flammable equipment and good ventilation in chemical warehouses.

#### Measures to prevent and respond to environmental incidents in case the wastewater treatment system operates ineffectively

To deal with cases where the wastewater treatment system is not effective, the company has designed and implemented the following prevention and response measures to ensure that the wastewater treatment process is always maintained at a stable optimal level:

- Design a wastewater treatment system for the highest flow rate.
- Monitor and periodically check the quality of input and output wastewater.
- Prepare a separate rainwater drainage system to prevent increased flow due to heavy rain.
- Regularly inspect and maintain machinery and treatment tanks.
- Operate the system according to correct procedures and regularly maintain equipment.
- Train operating staffs on system operating procedures and safety.
- Store wastewater in emergency tanks and reduce production output if the treatment system is ineffective.
- Regularly clean the pipes and check the water level in the tanks.
- Prepare backup power equipment and arrange monitoring staff to ensure the system operates stably.
- If the entire system has a problem, store wastewater in the emergency lake and report to the competent authority for instructions on how to fix it.

## Report on environmental and social impacts (continued)

### Management of raw materials

Raw material resource management is an important activity for all businesses, especially paper manufacturing businesses. The Company's main production raw materials are waste paper, which is used carton paper imported from the US, Europe, Japan, or collected domestically. Utilizing and recycling used waste is an important activity that contributes to environmental protection of the Company. When waste is recycled, it will be used to create new products, replacing the use of new materials. This helps reduce the amount of waste that has to be landfilled or burned, while also minimizing the exploitation of natural resources.

### Energy consumption

In Vietnam, energy consumption in the paper manufacturing industry is still quite high. According to statistics from the Vietnam Pulp and Paper Association (VPPA), energy costs in paper and pulp production account for 20-30% of production costs. Therefore, minimizing energy consumption is one of the important issues for paper manufacturing enterprises in Vietnam. For Dong Hai Ben Tre, in 2023 the Solar Power project has been started. Dong Hai hopes this project will contribute to saving electricity, meeting green production criteria, protecting a green - clean - beautiful environment and responding to climate change, while keeping up with usage trends. Clean energy - renewable energy today globally.

### Water consumption

Water is one of the important factors in the paper production process, so the Company always focuses on using and protecting water sources. DHC has invested in a modern, closed wastewater recycling system, ensuring treatment of all wastewater generated during the production process. This system has been evaluated to meet international standards for treated wastewater quality. In addition, the Company also proactively checks the water system regularly to detect and promptly fix water leaks. Thanks to that, the Company has significantly limited the amount of water loss. The Company's efforts in using and protecting water sources have contributed to reducing environmental pollution, protecting public health and sustainable development.

## Report on environmental and social impacts (continued)



### Evaluation related to employee issues



For DHC, human resources are one of the key factors in production and business activities. Therefore, the Board of Directors and the Board of General Directors always coordinate with the union to well perform the function of representing and protecting the legal and legitimate rights and interests of employees. At the same time, take care of both spiritual and material life, develop policies on wages, bonuses, and labor protection in accordance with the law. Specifically, the Human Resources Administration and the Trade Union promptly supported difficult situations, subsidized "Warm home of Dong Hai", gave Lunar New Year gifts to all employees of the company,... with a total amount of money over 1 billion VND.

## Report on environmental and social impacts (continued)



### Evaluation related to the responsibility of businesses to the local community

In 2023, the Company demonstrated its responsibility to the local community through gift support activities for policy families in An Phuoc commune, Chau Thanh district, Ben Tre province on the occasion of Lunar New Year, Mid-Autumn Festival, supporting road construction for people,... with a total amount of over 550 million VND.





## Report and evaluation of the Board of General Directors

03

Evaluate the results of production and business activities

Financial situation

Improvements in organizational structure, policies, and management

Future development plan

Explanation of the Board of Directors for audit opinions

Report on assessment of the company's environmental and social responsibilities

## The evaluation of business production and operations results

### General situation:

2023 is a difficult year for businesses in the paper and packaging industry under the impact of a situation where supply far exceeds demand and consumer demand plummets. The economic situation is very complicated, the phenomenon of economic recession is widespread, not only in Vietnam but also globally. Besides, the political situation in the world also partly affects the purchase, price of raw materials and transportation of goods. This is truly the most difficult time for the paper industry in the past 10 years.

In fact, the paper industry is the main industry supporting the production of most fields, so recently when the manufacturing industry declined, it also led to a decline in paper consumption.

The packaging industry is one of the important factors in the production and consumption of goods. With many fluctuations in the world economic situation, it has affected the economy in Vietnam, including the packaging industry. Vietnamese packaging faces many challenges and opportunities in 2023. Businesses' difficulties also come from competition between competitors in the industry. This is partly due to the decrease in consumer demand for goods, leading to a decrease in the amount of packaging, increasing the pressure on packaging manufacturers to reduce costs to create a competitive advantage over competitors.

Towards the goal of protecting the environment, using paper packaging in general and easily recyclable products made from paper in particular will replace the growing plastic waste and plastic bags that are being developed and are encouraged. Therefore, Dong Hai Joint Stock Company of Ben Tre is expected to develop further in 2024 and subsequent years.



## The evaluation of business production and operations results

### Business activities during the year

- The situation in 2023 will be extremely complicated and full of difficulties and challenges for the Vietnamese economy in general and the paper and packaging industry in particular. The company's production and business activities also have many major influences, specifically:
- Regarding paper: The sales department has made efforts to find customers and develop orders to maintain continuous operation of machines and stable income for workers. However, due to the general influence of the market situation, domestic paper prices continuously decreased, leading to a sharp decrease in revenue.
- Regarding packaging: In 2023, packaging sales will develop many new customers, order output will increase in the last 6 months of 2023, because sales have sold a number of large customers: confectionery production, consumer goods, food, and canned goods had stability and growth at the end of the year, on the contrary, the seafood industry had difficulties, exports decreased... leading to a decrease in order output and competitive unit prices with other competitors in the same industry to get orders for factories, leading to low efficiency.

However, with the continuous efforts of the staff and the support of customers, the Company has strived to achieve a number of proposed plans.

In 2023, the Company has contributed an additional capital of 30 billion VND to the Subsidiary Company - Ben Tre Packaging One Member Company Limited, purchased shares to contribute capital to Giao Long Paper Joint Stock Company with a total amount of 79,968 billion VND.



## Financial Situation

### Assets Situation

Unit: VND

Goal	2022	2022 Ratio	2023	2023 Ratio	% 2023/2022
Short-term Assets	1.662.756.369.635	57,68%	1.785.334.756.725	61,24%	107,37%
Long-term Assets	1.219.726.803.729	42,32%	1.129.762.768.527	38,76%	92,62%
Total Assets	2.882.483.173.364	100,00%	2.915.097.525.252	100,00%	101,13%

As of December 31, 2023, the Company's total assets increased slightly by 1.13% over the same period in 2022, reaching more than 2,915 billion VND, mainly short-term assets, accounting for 61.24% of the structure total assets of the Company.

The Company's short-term assets as of December 31, 2023 increased by 7.37% over the same period in 2022, reaching 1,785 billion vnd. In which, items such as cash and short-term receivables at the end of the 2023 period reached an increase of 30.69% and 14.36% respectively compared to the end of the 2022 period, and bank deposits also increased significantly. Inventory as of December 31, 2023 decreased by 19.80% over the same period, as part of the inventory reserve plan during a period of reduced industry demand. However, this inventory level still ensures that production activities continue continuously, without interruption.

Long-term assets as of December 31, 2023 decreased by 7.38% compared to the same period in 2022, reaching more than 1,129 billion VND. In the long-term asset structure, fixed assets such as factories and machinery and equipment serving production account for a high proportion. The decrease in value is mainly associated with depreciation costs of tangible fixed assets and the disposal of tangible fixed assets is insignificant.

### Liabilities Situation

Unit: VND

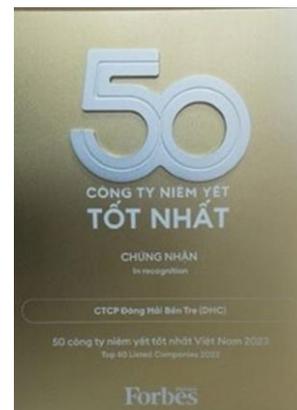
Goal	2022	2022 Ratio	2023	2023 Ratio	% 2023/2022
Short-term liabilities	1.131.127.570.739	100,00%	1.062.496.403.155	99,93%	93,93%
Long-term liabilities	-	-	696.922.421	0,07%	-
Total liabilities	1.131.127.570.739	100,00%	1.063.193.325.576	100,00%	93,99%

As of December 31, 2023, the Company's total liabilities decreased by 6.01% compared to the same period in 2022, reaching more than 1,063 billion VND, mainly short-term loans to supplement working capital for operations production and business and accounts payable to sellers. The company does not have long-term debt at the bank, short-term loans at the bank always have a policy of balancing the cash source for settlement.

## The improvements in organizational structure, policies and management

### Progress has been made

In 2023, the excellent Company was honored as an Enterprise that actively contributes to the province's programs in 2023 by the People's Committee of Ben Tre Province, Top 50 best-performing listed companies awarded by Forbes Vietnam.



## The improvements in organizational structure, policies and management

Continue to make improvements in organizational structure, policies, and management to serve the Company's operations.

### Financial management

The Company employs Southsoft accounting software, which integrates data from various departments such as production, sales, and human resources. This accounting software is continuously upgraded and customized to align with the specific needs and requirements.

### Customer relationship management

Each sales staff is responsible for a specific group of customers to ensure the best customer care and monitoring.

### Human management

Updating and monitoring personnel based on the employee list and labor journal using modern programs to promptly and timely update any changes that occur.

### Quality relationship management

- The Company applies the ISO 9001:2015 quality management system to control the quality of products and services.
- The process follows the Process Control Diagram and the Quality Control Plan for Industrial Paper, Carton Paper, and Carton Box production.
- Effectiveness: Products meet customer quality requirements and have no customer complaints.
- Improvement plan: regularly inspect and maintain machinery and equipment to ensure that products meet quality requirements.

## The Board of General Directors's explanation of the audit opinion

The Board of General Directors expresses full agreement with both the results and the opinions provided by the Auditor. They have no further explanations or clarifications to provide at this time.

## Future development plan

Goal	Production Output	Production Output	Consumption Output	Revenue (billion VND)	Profit after tax (billion VND)
1	Giao Long Factory – PM1 (ton)	63.000	58.000	500	
2	Giao Long Factory – PM2 (ton)	240.000	228.000	2.175	290
3	Carton Packaging Factory (product)	39.000.000	39.000.000	325	
4	Ben Tre One Member Packaging (product)	33.000.000	33.000.000	279	10
6	Total Revenue		<b>3.279</b> billion VND		
7	Profit after tax		<b>300</b> billion VND		

### Market, consumer demand and supply:

#### Regarding paper

- Continue to search and exploit new customers. Sales should be closely associated with debt collection, avoiding the generation of difficult-to-collect and bad debts.
- Enhance market development domestically and expand the export market.
- Recruit 02 additional sales personnel (know English/Chinese).
- Set up a representative office in Ho Chi Minh City.

#### Regarding supply

- Focus on purchasing scrap paper and raw materials for the Factory, ensuring operation stable operation, coordinate with factories to buy suitable paper materials.
- Stay informed about market information regarding the raw materials for proactive purchasing at reasonable prices.

#### Regarding packaging

- Strengthen the exploitation and increase the consumption volume of various industries such as seafood, coconut processing, fruits and vegetables, electronic garment equipment, etc., of customers in the Mekong Delta region.
- Coordinate regularly with the factory to exchange and share needs and product quality in order to meet customer requirements effectively.
- Combine sales with debt recovery to prevent the emergence of difficult-to-collect debts.
- Recruitment of 05 additional sales personnel.

## Report on assessment related to environmental and social responsibility

### Assessment related to environmental indicators



The Board of General Directors recognized the company's efforts in treating waste and complying with general policies. We note that the environment at factories and surrounding areas is always guaranteed to be green - clean - aesthetically. The company's business activities do not affect the lives of local residents.

The company uphold effectively its ISO 9001:2015 and ISO 14001:2015 certifications for environmental quality management, demonstrating its commitment to environmental sustainability. The wastewater treatment system operates stably, meets production needs and ensures no environmental pollution.

In general, the Board of General Directors highly appreciates the Company's environmental protection work in recent times.

### Assessment related to social responsibility

The Board of General Directors recognized and appreciated the company's efforts in fulfilling its responsibilities to the local community. Charity initiatives, support programs, and sponsorships for families and organizations in difficult circumstances have contributed to building a positive image of the Company, while demonstrating the spirit of solidarity and solidarity, share difficulties with the community.



## Report on assessment related to environmental and social responsibility



### Assessment related to labor issues

The Board of General Directors recognized the company's efforts in ensuring a safe and healthy working environment for employees. The company has well implemented regulations on labor safety, fully equipped with protective equipment and created optimal working conditions for labor.

Recruitment activities are carried out effectively, ensuring recruitment of the right people for the right position. The company also focuses on training, improving knowledge and skills for employees, meeting job requirements and developing personal capacity.

Regarding employee rights, the company fully implements salary, bonus, insurance, and furlough according to the provisions of law. Other welfares such as lunch, transportation, and living allowances are also taken care of, contributing to improving the lives of workers.

In general, the Board of General Directors highly appreciates the company's management and employee care in recent times.



## **Evaluation of the Board of Directors on the Company's operations**

Evaluation of the Board of Directors on the Company's activities

Evaluation of the Board of Directors on the activities of the Board of Management

Plans and directions of the Board of Directors

**04**

## The Board of Directors' evaluation of the Company's activities

### The Board of Directors' evaluation of the Company's activities

In 2023, with many changes and difficulties in the world and in Vietnam, the Board of Directors recognizes the company's efforts in maintaining effective production and business operations. The Company successfully implemented its production plan while prioritizing the safety of its employees during and after the pandemic period.

The Board of Directors highly appreciates the company's adaptability and flexibility in building management plans, production and market forecasts. The company has implemented good policies for employees, ensuring benefits and income for employees.

The company is committed to implementing social responsibility, organizing waste collection and treatment in accordance with regulations, contributing to environmental protection. Community support activities are implemented effectively, further enhancing company positive image.

The Board of Directors has coordinated closely with the Board of General Directors and the Board of Supervisors in building appropriate business and management strategies. The organization of the General Meeting of Shareholders and other important events is carried out more professionally and effectively.



## Evaluation of the Board of Directors on the activities of the Board of Management

The Board of Directors evaluated that the Board of General Managers meet the profit plan set for 2023. We acknowledge the efforts of the Board of General Managers and all employees in the context of the global and domestic economy facing many difficulties. Fluctuations from major economies, along with challenges in the domestic market, have negatively affected the company's operations.

In addition to efforts to improve the business situation, the Board of General Managers has performed well activities related to energy consumption, employee policies, and demonstrated responsibility to the community and society.

## The plans and directions of the Board of Directors

### 01

The Board of Directors is committed to taking corporate governance seriously and complying with current regulations, including the Enterprise Law, Company Charter and Corporate Governance Regulations. Members of the Board of Directors are always aware of their roles and responsibilities, fully performing assigned tasks and powers.

The Board of Directors always acts for the common interests of the company and shareholders, ensuring sustainable development and transparency in business operations

### 02

The Board of Directors always focuses on perfecting the corporate governance system, aiming for transparency and efficiency. In the coming time, The Board of Directors will conduct more rigorous evaluations of the performance of board members and the Board of Supervisors. This evaluation aims to enhance the roles and responsibilities of members, contributing to promoting the company's operations in a sustainable way.

### 03

The Board of Directors is dedicated to fostering strong relationships with investors and shareholders while ensuring compliance with disclosure requirements, prioritizing transparency and accountability.

### 04

The Board of Directors assumes the role of leading and overseeing the operations of the Board of General Directors. At the same time, working towards creating optimal conditions for the Board of General Directors to effectively fulfill their assigned tasks as per resolutions from the General Meeting of Shareholders and the Board of Directors.

CÔNG TY CỔ PHẦN ĐÔNG HẢI BẾN TRE

**DOHACO**



GIAOLONGPAPER



## Corporate governance

05

The Board of Directors' activities

The Resolution, Decision of the Board of Directors

The Board of Supervisors' activities

The transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of General Directors

Evaluation of compliance with corporate governance regulations

## The Board of Directors' activities



The supervisory role of the Board of Directors in overseeing the operations of the Board of General Directors is an ongoing and consistent activity. The Board of Directors is dedicated to ensuring compliance with the regulations stipulated by the Enterprise Law, the Company's Charter, and the Company's governance regulations, particularly regarding the functioning of the Board of General Directors. They diligently monitor the achievement of plan targets established by the General Meeting of Shareholders and the Board of Directors. In 2023, the Company's operations demonstrated stability and continuous development.



## The Meeting of the Board of Directors

No.	Member of the BOD	Number of board meetings attended	Meeting Attended ratio	Reason for not attending the meeting
1	Mr. Luong Van Thanh	10	10/10	-
2	Mr. Le Ba Phuong	10	10/10	-
3	Mr. Nguyen Thanh Nghia	10	10/10	-
4	Mr. Marco Martinelli	10	10/10	-
5	Mr. Duong Thanh Cong	10	10/10	-



## The Resolution, Decision of the Board of Directors

### The Resolution, Decision of the Board of Directors

In 2023, the Company issued and approved **27 Resolution, Decision**

No.	Resolution, Decision Number	Date	Content	Pass rate
01	01/NQ-HDQT	09/01/2023	Agreed to amend the charter, register additional securities with VSD and register to list additional securities with HOSE.	100%
02	02/NQ-HDQT	09/01/2023	Agreed to approve the report on business results for the fourth quarter of 2022 and the plan for the first quarter of 2023.	100%
03	03/NQ-HDQT	09/01/2023	Agreed to approve Report 01/TT-HDQT dated January 2, 2023 on Product salary unit price from January 1, 2022.	100%
04	04/NQ-HDQT	03/03/2023	Agreed to approve additional capital contribution to the subsidiary - Ben Tre Packaging Company Limited.	100%
05	05/NQ-HDQT	03/03/2023	Agreed to extend the time of holding the General Meeting of Shareholders 2023 no later than June 30, 2023.	100%
06	06/NQ-HDQT	25/04/2023	Agreed to approve the report on business results for the first quarter of 2023 and the plan for the second quarter of 2023.	100%
07	07/NQ-HDQT	25/04/2023	Approving the plan to hold the Annual General Meeting of Shareholders in 2023.	100%
08	08/NQ-HDQT	25/04/2023	Agreed to pay the third dividend advance in 2022 in cash to shareholders.	100%
09	09/NQ-HDQT	25/04/2023	Agreed to borrow loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Tien Giang Branch.	100%
10	10/NQ-HDQT	25/04/2023	Agreed on a short-term loan plan to supplement working capital according to the business plan in 2023-2024 at the Joint Stock Commercial Bank for Investment and Development of Vietnam - Ben Tre Branch.	100%
11	11/NQ-HDQT	25/04/2023	Agreed on credit limit at HSBC Bank Vietnam Ltd.	100%
12	12/NQ-HDQT	25/04/2023	Agreed on a short-term loan plan to supplement working capital according to the business plan in 2023 at the Vietnam Joint Stock Commercial Bank For Industry And Trade - Ben Tre Branch.	100%
13	13/NQ-HDQT	22/05/2023	Agreed to choose a supplier of heat dispersion system equipment for the Factory.	100%
14	14/NQ-HDQT	22/05/2023	Agreed to approve the purchase of additional shares to contribute capital to Giao Long Paper Joint Stock Company.	100%
15	15/NQ-HDQT	29/05/2023	Agreed to approve the purchase of additional shares to contribute capital to Giao Long Paper Joint Stock Company.	100%

## The Resolution, Decision of the Board of Directors (continued)

### The Resolution, Decision of the Board of Directors (continued)

No.	Resolution, Decision Number	Date	Content	Pass rate
16	16/NQ-HDQT	29/05/2023	Agreed on the contents to be submitted to the Annual General Meeting of Shareholders in 2023.	100%
17	17/NQ-HDQT	15/06/2023	Agreed on additional content to submit to the 2023 Annual General Meeting of Shareholders.	100%
18	18/NQ-HDQT	26/06/2023	Agreed to choose Ernst & Young Vietnam Co., Ltd. as the auditor of the financial statements in 2023.	100%
19	19/NQ-HDQT	28/07/2023	Agreed to approve the report of business results in the second quarter of 2023 and the plan for the third quarter of 2023.	100%
20	20/NQ-HDQT	28/07/2023	Agreed to pay the final dividend of 2022 in cash to shareholders.	100%
21	21/NQ-HDQT	30/10/2023	Agreed to approve the report of business results in the third quarter of 2023 and the plan for the fourth quarter of 2023.	100%
22	22/NQ-HDQT	30/10/2023	Agreed to pay the first dividend advance in 2023 in cash to shareholders.	100%
23	23/NQ-HDQT	30/10/2023	Agreed on a short-term loan plan at the Cathay United Bank - Ho Chi Minh City Branch.	100%
24	24/NQ-HDQT	29/12/2023	Agreed to approve the policy of signing a contract with Ben Tre Packaging Company Limited.	100%
25	25/NQ-HDQT	29/12/2023	Agreed to approve the policy of signing a contract with Giao Long NewPort JSC.	100%
26	26/NQ-HDQT	29/12/2023	Agreed to approve the policy of continuing to implement contract No. 12_DHC_THANHCONG2018 between Dong Hai Joint Stock Company of Ben Tre and Thanh Cong Energy Service Joint Stock Company.	100%
27	27/NQ-HDQT	29/12/2023	Agreed to appoint Ms. Nguyen Hong Thanh - Chief Accountant of the Company from 01/01/2024.	100%

## The Board of Supervisors activities

### Supervision activities of the Board of Supervisors for the Board of Directors, Board of General Managers and shareholders

The BOD held meetings in accordance with the Company's Articles of Association. The Board of Supervisors evaluated the Board of Directors' operations, which timely met the production and business requirements of the Company.

The BOD issued Resolutions and Decisions related to the Company's activities within its scope of responsibility and authority. The Resolutions and Decisions issued by the Board of Directors were in the correct order, within the appropriate authority, and complied with legal provisions and the Company's Articles of Association.

Successfully organized the Annual General Meeting of Shareholders.

The Board of General Directors has fully implemented the decisions and resolutions of the BOD, and strictly fulfilled other responsibilities and duties according to the Company's bylaws and applicable laws.

For Shareholders, the Supervisory Board complies with the Resolution of the General Meeting of Shareholders.

### Coordination between the Board of Supervisors and the activities of the Board of Directors, Board of Executive Directors and other managers

Frequently exchanging information with the BOD and the Board of General Directors regarding production, business.

The Board of Supervisors discussed and agreed with the BOD, Board of General Directors and other managers on the content and plan of inspection and supervision at the Company and always received support and cooperation of the Executive Board and related departments.

Participate in inventory counting in 2023, inventorying fixed assets, participating in organizing the Annual General Meeting of Shareholders in 2023.

All recommendations and proposals from the Board of Supervisors are considered and directed by the BOD, the Board of General Directors, and other management personnel to be seriously implemented.

In 2023, the Board of Supervisors did not receive any shareholder complaints about misconduct by the BOD, the Board of General Directors, and other management personnel.

## The Board of Supervisors activities (continued)

### Board of Supervisors' Meetings

No.	Member of the BOS	Number of board meetings attended	Meeting Attended ratio	Voting rate	Reason for not attending the meeting
01	Ms.Doan Thi Bich Thuy	03	03/03	100%	-
02	Ms. Doan Hong Lan	03	03/03	100%	-
03	Mr. Nguyen Quoc Binh	03	03/03	100%	-

### The salary, bonus, remuneration and benefits

Name	Position	Income (VND)
Mr. Luong Van Thanh	Chairman of the BOD/ Vice General Director	1.323.942.484
Mr. Le Ba Phuong	Vice Chairman of the BOD/ General Director	1.697.538.898
Mr. Nguyen Thanh Nghia	Member of the BOD	99.000.000
Mr. Marco Martinelli	Member of the BOD	99.000.000
Mr. Duong Thanh Cong	Member of the BOD	99.000.000
Ms. Doan Thi Bich Thuy	Chief of the BOS	58.000.000
Ms. Doan Hong Lan	Member of the BOS	188.786.815
Mr. Nguyen Quoc Binh	Member of the BOS	43.500.000
Ms. Ho Thi Song Ngoc	Vice General Director	1.215.065.211

## The transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of General Directors

### Transactions of stocks by insiders and persons related to insiders

No.	Performer	Relations with internal people	Ownership at the opening position		Ownership at the closing position		Reason for increase, decrease
			Number of Share	Ratio	Number of Share	Ratio	
01	KWE BETEILIGUNGEN AG	Blockholder	10.335.207	14,77%	11.885.488	14,77%	Dividend
02	Mr. Luong Van Thanh	Chairman of the BOD/ Vice General Director	3.966.450	5,67%	4.561.417	5,67%	Dividend
03	Mr. Le Ba Phuong	Vice Chairman of the BOD/ General Director	6.100.009	8,71%	7.015.008	8,71%	Dividend
04	Ms. Nguyen Thi Thuy	Related person to Mr. Le Ba Phuong	4.774.999	6,82%	5.491.248	6,82%	Dividend
05	Mr. Le Ba Hung	Related person to Mr. Le Ba Phuong	111.600	0,16%	429.740	0,53%	Dividend/ Buy
06	Mr. Truong Van Binh	Related person to Mr. Le Ba Phuong	40.125	0,057%	46.143	0,057%	Dividend
07	Mr. Nguyen Thanh Nghia	Member of the BOD	6.689.083	9,56%	10.877.019	13,51%	Dividend/ Buy
08	Mr. Duong Thanh Cong	Member of the BOD	395.000	0,56%	904.250	1,12%	Dividend/ Buy
09	Mr. Duong Thanh Sang	Relate person to Mr. Duong Thanh Cong	670.000	0,95%	770.500	0,96%	Dividend/ Buy
10	Mr. Marco Martinelli	Member of the BOD	162.500	0,23%	186.875	0,23%	Dividend
11	Turicum Investment Management AG	Relate person to Mr. Marco Martinelli	0	0	370.000	0,46%	Buy
12	Ms. Doan Thi Bich Thuy	Head of the BOS	19.350	0,03%	22.252	0,028%	Dividend
13	Ms. Doan Hong Lan	Member of the BOS	400	0,00%	460	0,00%	Dividend
14	Mr. Le Minh Thanh	Related person to Ms. Doan Hong Lan	24.750	0,04%	24.462	0,03%	Dividend/ Sell

## The transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of General Directors (continued)

### Transactions of stocks by insiders and persons related to insiders (continued)

No.	Performer	Relations with internal people	Ownership at the opening position		Ownership at the closing position		Reason for increase, decrease
			Number of Share	Ratio	Number of Share	Ratio	
15	Mr. Nguyen Quoc Binh	Member of the BOS	701.868	1%	798.348	0,99%	Dividend/ Sell
16	Ms. Ngo Thi Thu Hoe	Related person to Mr. Nguyen Quoc Binh	99.000	0,14%	113.850	0,14%	Dividend
17	Ms. Ho Thi Song Ngoc	Vice General Director	440.010	0,63%	276.011	0,34%	Dividend/ Sell
18	Mr. Ho Phuong Hai	Related person to Ms. Ho Thi Song Ngoc	13.800	0,02%	7.070	0,02%	Dividend/ Sell
19	Ms. Nguyen Thi Ngoc Suong	Chief of Internal Audit Department	1.700	0%	4.355	0,0054%	Dividend/ Buy
20	Mr. Nguyen Truong Thinh	Related person to Ms. Nguyen Thi Ngoc Suong	41.450	0,06%	87.700	0,11%	Dividend/ Buy
21	Ms. Bui Thi Ngoc Diem	Member of Internal Audit Department	5.075	0,01%	1.000	0,0043%	Dividend/ Sell
22	Ms. Nguyen Ngoc To Uyen	Administrator	20.350	0,02%	22.402	0,029%	Dividend/ Sell

## The transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of General Directors (continued)

No.	Name of Organization /Individual	Relations with the company	NSH No., date of issue, place of issue	Address	Time of transactions	Number of resolutions / decisions of the AGM / BOM adopted	Content, quantity, total transaction value
01	Giao Long New Port Joint Stock Company	Affiliated Company	1300990134 12/08/2015 The Department of Planning and Investment of Ben Tre province	No. 126, Long Thanh Hamlet, Giao Long commune, Chau Thanh district, Ben Tre province	In 2023	44/NQ-HDQT 30/12/2022	Buy services: 39.033.607.640 VND Yard rental: 7.025.000.000 VND
02	Ben Tre One Member Packaging Co., Ltd	Subsidiary company	1301091115 28/04/2020 The Department of Planning and Investment of Ben Tre province	Lot AIV8, AIV-9, Giao Long Industrial Zone, An Phuoc commune, Chau Thanh district, Ben Tre province	In 2023	43/NQ-HDQT 30/12/2022  04/NQ-HDQT 03/03/2023	Selling paper: 60.392.428.192 VND Buy waste paper + core tube, PE film: 14.187.622.897 VND Capital contribution: 30.000.000.000 VND
03	Thanh Cong Energy Service Corporation	Related organization of internal person - Mr. Duong Thanh Cong	1301033794 13/07/2017 The Department of Planning and Investment of Ben Tre province	Lot DN, Giao Long Industrial Zone, An Phuoc commune, Chau Thanh district, Ben Tre province	In 2023	45/NQ-HDQT 30/12/2022	Buy steam: 288.317.274.000 VND Buy electricity: 77.729.434.235 VND
04	Giao Long Paper Joint Stock Company	Subsidiary company	1301117885 18/07/2022 The Department of Planning and Investment of Ben Tre province	Lot CN01, CN02, CN03, CN04, Long Phuoc Industrial Park, An Phuoc commune, Chau Thanh district, Ben Tre province	In 2023	14/NQ-HDQT 22/05/2023  15/NQ-HDQT 29/05/2023	Buying capital shares: 77.600.000.000 VND Buying capital shares: 2.368.000.000 VND

## The transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Board of General Directors (continued)

### Transactions between company and company in which members of the Board of Directors, members of the Supervisory Board, or Managing Director (General Director) have been or are currently founding members or members of the Board of Directors or Managing Director (General Director) within the past three (03) years (calculated at the time of reporting)

Transactions with Thanh Cong Energy Services Joint Stock Company - related organization of internal person – Mr. Duong Thanh Cong

### Other related issues:

The Company has implemented the distribution of stock dividends for the year 2021 (at a rate of 15%) to its shareholders and has received Approval Letter No. 8695/UBCK-QLCB dated December 30, 2022 from the State Securities Commission regarding the report on the issuance of shares to pay dividends by DHC. The company has been granted Securities Registration Certificate No. 25/2009/GCNCP-VSD-15 dated January 17, 2023 by the Vietnam Securities Depository Center - Ho Chi Minh City Branch, and approved by the Stock Exchange, Ho Chi Minh City Stock Exchange issued Decision No. 34/QD-SGDHCM dated January 18, 2023 on changing listing registration. The current total number of securities is 80,493,048 shares.

On July 18, 2023, the Company received Official Dispatch No. 4706/UBCK-PTTT from the State Securities Commission on the dossier notifying the Company's maximum foreign ownership change, accordingly, the ownership ratio Maximum foreign ownership at Dong Hai Joint Stock Company of Ben Tre is 50%.







## Financial Report

Audit comments

Audited financial statements

# DongHai Joint Stock Company of BenTre

## GENERAL INFORMATION

### THE COMPANY

DongHai Joint Stock Company of BenTre ("the Company"), is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1300358260 issued by the Department of Planning and Investment ("DPI") of Ben Tre Province on 2 April 2003 and the 20<sup>th</sup> amendment ERC on 10 January 2023.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the trading code of DHC in accordance with the Decision No. 58/QĐ-SGDHCM issued by the HOSE on 18 June 2009.

The current principal activities of the Company and its subsidiaries are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic.

The normal production and business cycle of the Company is 12 months.

The Company head office is located at Lot AIII, Giao Long Industrial Zone, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam.

### BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

Mr. Luong Van Thanh	Chairman
Mr. Le Ba Phuong	Vice Chairman
Mr. Nguyen Thanh Nghia	Member
Mr. Marco Martinelli	Independent member
Mr. Duong Thanh Cong	Member

### BOARD OF SUPERVISION

The members of the Board of Supervision during the year and at the date of this report are:

Ms. Doan Thi Bich Thuy	Head
Ms. Doan Hong Lan	Member
Mr. Nguyen Quoc Binh	Member

### MANAGEMENT

The members of the Management during the year and at the date of this report are:

Mr. Le Ba Phuong	General Director
Mr. Luong Van Thanh	Deputy General Director
Ms. Ho Thi Song Ngoc	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Le Ba Phuong.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# DongHai Joint Stock Company of BenTre

## REPORT OF THE MANAGEMENT

The Management of DongHai Joint Stock Company of BenTre ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2023.

### THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

The management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY THE MANAGEMENT

The management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the management:



Le Ba Phuong  
General Director

Ben Tre Province, Vietnam

28 March 2024



Ernst & Young Vietnam Limited  
20th Floor, Bitexco Financial Tower  
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Ho Chi Minh City, S.R. of Vietnam

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ey.com

Reference: 12120343/66923428-FN/HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of DongHai Joint Stock Company of BenTre**

We have audited the accompanying consolidated financial statements of DongHai Joint Stock Company of BenTre ("the Company") and its subsidiary (collectively referred to as "the Group") as prepared on 28 March 2024 and set out on pages 5 to 34, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group'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 consolidated financial statements.

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



**Conclusion**

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

**Ernst & Young Vietnam Limited**



Phạm Thị Cẩm Tú  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2266-2023-004-1

Nguyen Minh Thanh  
Auditor  
Audit Practicing Registration Certificate  
No. 5559-2020-004-1

Ho Chi Minh City, Vietnam

28 March 2024

12/03/2024

CONSOLIDATED BALANCE SHEET  
as at 31 December 2023

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,785,334,756,725</b>	<b>1,662,756,369,635</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>247,229,229,877</b>	<b>189,178,341,116</b>
111	1. Cash		215,229,229,877	134,178,341,116
112	2. Cash equivalents		32,000,000,000	55,000,000,000
<b>120</b>	<b>II. Short-term investment</b>		<b>101,169,764,590</b>	<b>19,102,085,696</b>
123	1. Held-to-maturity investment	5	101,169,764,590	19,102,085,696
<b>130</b>	<b>III. Current accounts receivable</b>		<b>893,954,809,426</b>	<b>781,714,955,602</b>
131	1. Short-term trade receivables	6	631,927,963,492	678,802,602,553
132	2. Short-term advances to suppliers	7	266,274,176,350	108,420,285,690
136	3. Other short-term receivables		4,644,158,040	2,119,331,542
137	4. Provision for doubtful short-term receivables	6	(8,891,488,456)	(7,627,264,183)
<b>140</b>	<b>IV. Inventory</b>		<b>504,234,805,104</b>	<b>628,715,196,607</b>
141	1. Inventories	8	504,234,805,104	628,715,196,607
<b>150</b>	<b>V. Other current assets</b>		<b>38,746,147,728</b>	<b>44,045,790,614</b>
151	1. Short-term prepaid expenses	9	16,299,921,157	13,378,897,647
152	2. Value-added tax deductible		22,446,226,571	30,666,892,967
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,129,762,768,527</b>	<b>1,219,726,803,729</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>4,735,030,000</b>	<b>7,276,430,000</b>
211	1. Long-term trade receivables	6	4,735,030,000	7,276,430,000
<b>220</b>	<b>II. Fixed assets</b>		<b>1,041,688,114,149</b>	<b>1,138,189,069,171</b>
221	1. Tangible fixed assets	10	1,041,460,816,284	1,137,830,233,701
222	Cost		1,696,609,188,119	1,698,338,607,785
223	Accumulated depreciation		(655,148,371,835)	(560,508,374,084)
227	2. Intangible fixed assets	11	227,297,865	358,835,470
228	Cost		1,044,334,250	1,044,334,250
229	Accumulated amortisation		(817,036,385)	(685,498,780)
<b>240</b>	<b>III. Long-term asset in progress</b>		<b>45,594,858,239</b>	<b>44,753,101,628</b>
242	1. Construction in progress	12	45,594,858,239	44,753,101,628
<b>250</b>	<b>IV. Long-term investment</b>		<b>6,879,002,167</b>	<b>5,296,159,450</b>
252	1. Investment in an associate	13	6,879,002,167	5,296,159,450
<b>260</b>	<b>V. Other long-term assets</b>		<b>30,865,763,972</b>	<b>24,212,043,480</b>
261	1. Long-term prepaid expenses	9	30,865,763,972	23,577,973,496
262	2. Deferred tax asset		-	634,069,984
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,915,097,525,252</b>	<b>2,882,483,173,364</b>

DongHai Joint Stock Company of BenTre

B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2023

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,063,193,325,576</b>	<b>1,131,127,570,739</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,062,496,403,155</b>	<b>1,131,127,570,739</b>
311	1. Short-term trade payables	14	302,930,877,621	532,623,989,424
312	2. Short-term advances from customers	15	7,254,770,614	27,284,420,722
313	3. Statutory obligations	16	7,495,706,917	16,478,940,206
314	4. Payables to employees		21,336,041,087	19,943,412,966
315	5. Short-term accrued expenses	17	13,299,520,347	8,350,042,877
318	6. Short-term unearned revenues		109,090,909	109,090,909
319	7. Other short-term payables	18	4,922,019,115	4,528,423,461
320	8. Short-term loans	19	701,771,824,278	518,363,300,196
322	9. Bonus and welfare fund		3,376,552,267	3,445,949,978
<b>330</b>	<b>II. Non-current liabilities</b>		<b>696,922,421</b>	-
341	1. Deferred tax liabilities	28.3	696,922,421	-
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,851,904,199,676</b>	<b>1,751,355,602,625</b>
<b>410</b>	<b>I. Equity</b>	<b>20</b>	<b>1,851,904,199,676</b>	<b>1,751,355,602,625</b>
411	1. Share capital		804,930,480,000	699,944,230,000
411a	- Ordinary shares with voting rights		804,930,480,000	699,944,230,000
412	2. Share premium		235,247,935,803	235,247,935,803
418	3. Investment and development fund		101,877,261,214	82,904,331,993
421	4. Undistributed earnings		706,824,522,659	730,259,104,829
421a	- Undistributed earnings by the end of prior year		397,478,133,920	455,792,154,911
421b	- Undistributed earnings of the year		309,346,388,739	274,466,949,918
429	5. Non-controlling interest		3,024,000,000	3,000,000,000
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,915,097,525,252</b>	<b>2,882,483,173,364</b>

Phan Thi Truc Ly  
Preparer

Nguyen Hong Thanh  
Chief Accountant



Le Ba Phuong  
General Director

Ben Tre Province, Vietnam

28 March 2024

DongHai Joint Stock Company of BenTre

B02-DN/HN

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods	21.1	3,261,255,035,745	3,935,865,493,523
02	2. Deductions	21.1	(2,346,494,143)	(1,138,734,067)
10	3. Net revenues from sale of goods	21.1	3,258,908,541,602	3,934,726,759,456
11	4. Costs of goods sold	22	(2,755,379,718,199)	(3,323,855,691,165)
20	5. Gross profit from sale of goods		503,528,823,403	610,871,068,291
21	6. Finance income	21.2	29,113,353,819	20,631,569,074
22	7. Finance expenses	23	(38,098,931,655)	(42,009,199,350)
23	<i>In which: Interest expense</i>		(33,205,155,630)	(19,111,142,447)
24	8. Shares of profit of associate	13	1,894,842,717	329,362,626
25	9. Selling expenses	24	(108,078,537,833)	(119,423,890,402)
26	10. General and administrative expenses	24	(37,809,201,984)	(38,049,892,173)
30	11. Operating profit		350,550,348,467	432,349,018,066
31	12. Other income	25	7,856,443,647	5,480,525,221
32	13. Other expenses		(308,737,825)	(670,686,768)
40	14. Other profit		7,547,705,822	4,809,838,453
50	15. Accounting profit before tax		358,098,054,289	437,158,856,519
51	16. Current corporate income tax expense	28.1	(47,428,673,145)	(58,223,965,763)
52	17. Deferred income tax (expenses) income	28.3	(1,330,992,405)	523,693,661
60	18. Net profit after tax		309,338,388,739	379,458,584,417
61	19. Net profit after tax attributable to shareholders of the parent		309,338,388,739	379,458,584,417
70	20. Basic earnings per share	20.4	3,766	4,620
71	21. Diluted earnings per share	20.4	3,766	4,620

Phan Thi Truc Ly  
Preparer

Nguyen Hong Thanh  
Chief Accountant



Le Ba Phuong  
General Director

Ben Tre Province, Vietnam

28 March 2024

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>358,098,054,289</b>	<b>437,158,856,519</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11	102,294,331,979	101,042,171,871
03	Provision		1,264,224,273	93,029,396
04	Foreign exchange gain arisen from revaluation of monetary accounts denominated in foreign currency		(940,110,734)	(9,037,979,746)
05	Profits from investing activities		(7,571,592,919)	(4,180,729,487)
06	Interest expenses	23	33,205,155,630	19,111,142,447
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>486,350,062,518</b>	<b>544,186,491,000</b>
09	Increase in receivables		(101,742,431,863)	(112,949,332,670)
10	Decrease (increase) in inventories		124,480,391,503	(308,815,626,167)
11	(Decrease) increase in payables		(160,869,294,155)	267,577,756,199
12	Increase in prepaid expenses		(10,208,813,986)	(16,870,341,908)
14	Interest paid		(31,946,803,123)	(17,296,105,682)
15	Corporate income tax paid	16	(57,165,628,867)	(45,661,468,684)
17	Other cash outflows for operating activities		(7,658,569,399)	(6,394,612,799)
<b>20</b>	<b>Net cash flow from operating activities</b>		<b>241,238,912,628</b>	<b>303,776,759,289</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases and construction of fixed assets		(88,084,006,924)	(76,953,443,009)
22	Proceeds from disposals of fixed assets		343,364,855	217,893,926
23	Payment of term deposits and payments for purchase of debt instruments of other entities		(102,710,547,945)	(5,045,061,634)
24	Collection of term deposits		20,642,869,051	30,000,000,000
27	Bank interest and dividends received		4,412,595,230	3,530,384,415
<b>30</b>	<b>Net cash flow used in investing activities</b>		<b>(165,395,725,733)</b>	<b>(48,250,226,302)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contributions of non-controlling shareholders		32,000,000	3,000,000,000
33	Drawdown of borrowings	19	1,539,961,428,933	1,797,986,481,801
34	Repayment of borrowings	19	(1,356,552,904,851)	(1,650,392,535,412)
36	Dividends paid	20.2	(201,232,620,000)	(314,974,903,500)
<b>40</b>	<b>Net cash flow used in financing activities</b>		<b>(17,792,095,918)</b>	<b>(164,380,957,111)</b>

DongHai Joint Stock Company of BenTre

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CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash and cash equivalents for the year		58,051,090,977	91,145,575,876
60	Cash and cash equivalents at beginning of year		189,178,341,116	98,169,465,231
61	Impact of exchange rate fluctuation		(202,216)	(136,699,991)
70	Cash and cash equivalents at end of year	4	247,229,229,877	189,178,341,116

Phan Thi Truc Ly  
Preparer

Nguyen Hong Thanh  
Chief Accountant



Le Ba Phuong  
General Director

Ben Tre Province, Vietnam

28 March 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2023 and for the year ended then

**1. CORPORATE INFORMATION**

DongHai Joint Stock Company of BenTre ("the Company"), is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Enterprise Registration Certificate ("ERC") No. 1300358260 issued by the Department of Planning and Investment ("DPI") of Ben Tre Province on 2 April 2003 and the 20th amendment ERC on 10 January 2023.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") under the trading code of DHC in accordance with the Decision No. 58/QĐ-SGDHCM issued by the HOSE on 18 June 2009.

The current principal activities of the Company are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic.

The normal production and business cycle of the Company is 12 months.

The Company's head office is located at Lot AIII, Giao Long Industrial Zone, An Phuoc Commune, Chau Thanh District, Ben Tre Province, Vietnam.

The number of Group's employees as at 31 December 2023 was 693 (31 December 2022: 742).

**Corporate structure**

As at 31 December 2023, the Company's corporate structure includes 2 subsidiaries and an associate. Details are as follows:

Names	Business activities	Status of operation	% ownership and voting right	
			As at 31 December 2023 (%)	As at 31 December 2022 (%)
<b>Subsidiaries</b>				
(1) Ben Tre Packaging One Member Company Limited ("Ben Tre Packaging")	Manufacturing and trading in carton packaging	Operating	100.00	100.00
(2) Giao Long Paper Joint Stock Company	Manufacturing and trading in kraft paper	Pre-Operating	98.32	97.00
<b>Associate</b>				
(1) Tan Cang Giao Long Joint Stock Company ("Tan Cang Giao Long")	Providing port operation and transportation services	Operating	26.00	26.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

### 2.3 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### 2.4 *Fiscal year*

The Group's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2023.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the parent company and subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term deposits, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 3.2 *Accounts receivable*

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

#### 3.3 *Inventories*

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labour cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, spare parts and merchandise	- cost of purchase on a weighted average basis.
Finished goods and work-in process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on weighted average basis.

#### *Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of tangible fixed assets comprise its purchase prices and any directly attributable costs of bringing the tangible fixed assets to working condition for their intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their cost and accumulated depreciation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

#### 3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The costs of intangible fixed assets comprise its purchase prices and any directly attributable costs of bringing the intangible fixed assets to working condition for their intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, their cost and accumulated amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

#### 3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	5 - 35 years
Machinery and equipment	3 - 20 years
Means of transportation	5 - 10 years
Office equipment	5 - 8 years
Computer software	5 years
Others	8 years

#### 3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year.

#### 3.8 *Construction in process*

Construction in progress represents costs that are directly attributable to the acquisition and construction to produce an asset in the course of construction at the balance sheet date.

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

#### 3.10 *Business combinations*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Investments

##### *Investment in an associate*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of an associate. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of an associate.

The share of post-acquisition profit of an associate is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from an associate reduces the carrying amount of the investment.

The financial statements of an associate are prepared for the same reporting year and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs.

##### *Provision for diminution in value of investments*

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

#### 3.12 Payables and accrued expenses

Payables and accrued expenses are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### 3.13 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Foreign currency transactions* (continued)

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

#### 3.14 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

▶ *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

▶ *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

▶ *Dividend*

Cash dividends are recognised as a liability in the consolidated balance sheet upon the approval by the shareholders at the Annual General Meeting and decision for implementation by the Company's Board of Directors.

Stock dividends are recognised in the consolidated balance sheet when the Group completes all required legal procedures as prevailing regulations.

#### 3.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

*Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for consolidated financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is 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 all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.18 Related parties**

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

**3.19 Segment information**

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The current principal activities of the Group are manufacturing and trading in pulp, kraft paper, paperboard, packaging made from paper and plastic. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is manufacturing or the locations where the Group is trading. As a result, the Group's Management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

**4. CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	296,902,700	122,183,900
Cash in banks	214,932,327,177	134,056,157,216
Cash equivalents (*)	<u>32,000,000,000</u>	<u>55,000,000,000</u>
<b>TOTAL</b>	<b><u>247,229,229,877</u></b>	<b><u>189,178,341,116</u></b>

(\*) Cash equivalents represent term-deposits with original maturities of less than three months and earn interest is the applicable rate.

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## 5. HELD-TO-MATURITY INVESTMENT

	VND	
	Ending balance	Beginning balance
Bonds (*)	15,000,000,000	-
Term deposits (**)	86,169,764,590	19,102,085,696
<b>TOTAL</b>	<b>101,169,764,590</b>	<b>19,102,085,696</b>

(\*) These represent the bond from Viet Dragon Securities Corporation with original maturities of 1 year and earn average interest rates 9.2% per annum.

(\*\*) Held-to-maturity investment represents short-term deposits at financial institutions with original maturity of more than three months and less than one year; and earns interest at the applicable rates

The Group pledged a part of its held-to-maturity investments to secure the short-term loans obtained from banks (Note 19).

## 6. SHORT-TERM TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
- Phuc Hao Manufacturing - Trading Co., Ltd	65,020,074,192	55,073,045,664
- Box-Pak Vietnam Co., Ltd	64,339,796,880	192,806,399,305
- Hoang Long International Import Export Investment JSC	62,812,118,891	51,072,724,692
- Phuc Hao Investment Joint Stock Company	41,106,126,240	13,713,548,940
- Others	398,649,847,289	366,136,883,952
<b>TOTAL</b>	<b>631,927,963,492</b>	<b>678,802,602,553</b>
Provision for doubtful short-term receivables	(8,891,488,456)	(7,627,264,183)
<b>NET</b>	<b>623,036,475,036</b>	<b>671,175,338,370</b>
<i>In which:</i>		
Receivable from third parties	623,036,475,036	669,452,338,388
Receivable from a related party (Note 29)	-	1,722,999,982
<b>Long-term</b>		
- T&V Coconut Co., Ltd	2,905,900,000	4,301,500,000
- Truc Lan Vy One Member Co., Ltd	1,829,130,000	2,974,930,000
<b>TOTAL</b>	<b>4,735,030,000</b>	<b>7,276,430,000</b>

(\*) The Group pledged short-term trade receivables to secure the short-term loans obtained from banks (Note 19).

Details of movement of provision for doubtful short-term receivables are as follows:

	VND	
	Current year	Previous year
Beginning balance	(7,627,264,183)	(7,534,234,787)
Provision during the year	(1,457,263,030)	(324,069,823)
Utilisation and reversal during the year	193,038,757	231,040,427
<b>Ending balance</b>	<b>(8,891,488,456)</b>	<b>(7,627,264,183)</b>

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#### 7. SHORT-TERM ADVANCE TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Advances to suppliers (*)	231,245,133,681	108,420,285,690
- Duc Long Investment and Production One Member Co., Ltd	65,325,367,977	45,325,367,977
- An Binh Investment One member Co., Ltd	30,712,500,000	-
- Thien Loc Mechanical Construction and Real Estate Co., Ltd	27,375,000,000	-
- Others	107,832,265,704	63,094,917,713
Advances to related parties (Note 29)	35,029,042,669	-
<b>TOTAL</b>	<b>266,274,176,350</b>	<b>108,420,285,690</b>

(\*) The outstanding balances included advances to suppliers for purchase of goods and services in the year. Those advances will be settled by provision of goods and services as planned and charged at applicable interest rates.

#### 8. INVENTORIES

	VND	
	Ending balance	Beginning balance
Raw materials	247,231,288,446	199,447,286,451
Spare parts	109,851,356,201	124,903,379,172
Goods in transit	89,339,030,898	222,184,612,003
Finished goods	57,346,172,573	81,477,457,333
Work in process	319,326,759	448,428,844
Tools and supplies	147,630,227	254,032,804
<b>TOTAL</b>	<b>504,234,805,104</b>	<b>628,715,196,607</b>

#### 9. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>16,299,921,157</b>	<b>13,378,897,647</b>
Tools and supplies	8,054,048,254	6,894,638,461
Repairing expenses	6,675,147,913	4,855,120,683
Insurance expenses	1,452,345,587	1,532,109,503
Others	118,379,403	97,029,000
<b>Long-term</b>	<b>30,865,763,972</b>	<b>23,577,973,496</b>
Tools and supplies	21,965,537,466	10,914,880,107
Land rental fee (*)	3,016,673,820	3,217,290,030
Other	5,883,552,686	9,445,803,359
<b>TOTAL</b>	<b>47,165,685,129</b>	<b>36,956,871,143</b>

(\*) The Group used the respective land use rights as mortgage for short-term bank loan at commercial bank (Note 19).

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## 10. TANGIBLE FIXED ASSETS

	Machinery and equipment	Buildings and structures	Means of transportation	Office equipment	Others	Total
						VND
<b>Cost:</b>						
Beginning balance	1,152,630,357,505	465,921,235,563	66,870,746,360	12,499,768,857	416,499,500	1,698,338,607,785
New purchases	2,223,245,000	390,754,873	3,598,657,408	44,431,818	-	6,257,089,099
Disposals	(143,750,000)	(6,021,350,856)	(1,713,407,909)	(108,000,000)	-	(7,986,508,765)
Ending balance	1,154,709,852,505	460,290,639,580	68,755,995,859	12,436,200,675	416,499,500	1,696,609,188,119
<i>In which:</i>						
Fully depreciated	193,834,191,501	25,309,602,674	18,439,094,688	2,383,019,948	193,710,000	240,159,618,811
<b>Accumulated depreciation:</b>						
Beginning balance	(393,193,941,965)	(128,139,104,553)	(33,316,493,894)	(5,637,147,922)	(221,685,750)	(560,508,374,084)
Depreciation for the year	(67,579,045,752)	(24,926,179,597)	(7,701,633,799)	(1,918,803,776)	(37,131,450)	(102,162,794,374)
Disposals	143,750,000	5,940,326,664	1,330,719,959	108,000,000	-	7,522,796,623
Ending balance	(460,629,237,717)	(147,124,957,486)	(39,687,407,734)	(7,447,951,698)	(258,817,200)	(655,148,371,835)
<b>Net carrying amount:</b>						
Beginning balance	759,436,415,540	337,782,131,010	33,554,252,466	6,862,620,935	194,813,750	1,137,830,233,701
Ending balance	694,080,614,788	313,165,682,094	29,068,588,125	4,988,248,977	157,682,300	1,041,460,816,284
<i>In which:</i>						
Mortgaged as loan security (Note 19)	166,175,861,877	62,160,098,752	3,350,234,545	-	-	231,686,195,174

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**11. INTANGIBLE FIXED ASSETS**

			VND
	Computer software	Others	Total
<b>Cost:</b>			
Beginning balance and ending balance	232,602,450	811,731,800	1,044,334,250
<i>In which:</i>			
Fully amortised	82,602,450	306,231,800	388,834,250
<b>Accumulated amortisation:</b>			
Beginning balance	(100,273,730)	(585,225,050)	(685,498,780)
Amortised for the year	(30,000,080)	(101,537,525)	(131,537,605)
Ending balance	(130,273,810)	(686,762,575)	(817,036,385)
<b>Net carrying amount:</b>			
Beginning balance	132,328,720	226,506,750	358,835,470
Ending balance	102,328,640	124,969,225	227,297,865

**12. CONSTRUCTION IN PROGRESS**

	VND	
	Ending balance	Beginning balance
Construction of Giao Long Paper Factory	44,595,817,493	44,575,268,901
Others	999,040,746	177,832,727
<b>TOTAL</b>	<b>45,594,858,239</b>	<b>44,753,101,628</b>

**13. INVESTMENT IN AN ASSOCIATE**

	Ending balance		Beginning balance	
	Ownership	Cost	Ownership	Cost
	(%)	VND	(%)	VND
Tan Cang Giao Long	26%	6,879,002,167	26%	5,296,159,450

(\*) Tan Cang Giao Long Joint Stock Company, is incorporated the ERC No. 13009990134 issued by the DPI of Ben Tre Province on 12 August 2015. Its head office is located at No. 126, Long Thanh Hamlet, Giao Long Commune, Chau Thanh District, Ben Tre Province, Vietnam. The current principal activities of this company are providing port operation and transportation services.

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## 13. INVESTMENT IN AN ASSOCIATE (continue)

Details of this investment in an associate is as follows:

	VND
<b>Cost of investment:</b>	
Beginning and ending balances	2,600,000,000
<b>Accumulated share in post-acquisition profit of the associate:</b>	
Beginning balance	2,696,159,450
Share in post-acquisition profit of the associate for the year	1,894,842,717
Dividends	<u>(312,000,000)</u>
Ending balance	<u>4,279,002,167</u>
<b>Net carrying amount:</b>	
Beginning balance	<u>5,296,159,450</u>
Ending balance	<u>6,879,002,167</u>

## 14. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to suppliers	296,272,510,806	495,826,317,273
- <i>Vipa Lausanne SA</i>	56,976,894,915	181,812,643,601
- <i>Peute Papierrecycling BV</i>	17,455,878,026	18,446,843,923
- <i>Jiangsu Huadong Paper Machinery Co., Ltd</i>	16,253,859,204	14,108,818,626
- <i>Others</i>	205,585,878,661	281,458,011,123
Related parties (Note 29)	6,658,366,815	36,797,672,151
<b>TOTAL</b>	<b><u>302,930,877,621</u></b>	<b><u>532,623,989,424</u></b>

## 15. SHORT-TERM ADVANCE FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Xiamen Gulong Development Co., Ltd	3,476,356,380	-
Taicang Lingbo Paper Co., Ltd	2,552,549,646	3,672,271,208
Others	1,225,864,588	23,612,149,514
<b>TOTAL</b>	<b><u>7,254,770,614</u></b>	<b><u>27,284,420,722</u></b>

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**16. STATUTORY OBLIGATIONS**

				VND
	<i>Beginning balance</i>	<i>Increase in year</i>	<i>Decrease in year</i>	<i>Ending balance</i>
Corporate income tax	14,166,794,496	47,428,673,145	(57,165,628,867)	4,429,838,774
Personal income tax	2,312,145,710	12,116,202,882	(11,769,267,350)	2,659,081,242
Value-added tax	-	249,931,808,845	(249,525,021,944)	406,786,901
Others	-	96,076,846,848	(96,076,846,848)	-
<b>TOTAL</b>	<b>16,478,940,206</b>	<b>405,553,531,720</b>	<b>(414,536,765,009)</b>	<b>7,495,706,917</b>

**17. SHORT-TERM ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Utilities costs	11,652,715,390	6,535,006,112
Interest expenses	1,258,352,507	1,815,036,765
Others	388,452,450	-
<b>TOTAL</b>	<b>13,299,520,347</b>	<b>8,350,042,877</b>

**18. OTHER SHORT-TERM PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Commission fees	3,079,247,610	2,725,039,559
Bonus for the Boards of Directors and Supervision	507,717,287	480,717,287
Dividend payables	107,915,500	154,258,000
Others	1,227,138,718	1,168,408,615
<b>TOTAL</b>	<b>4,922,019,115</b>	<b>4,528,423,461</b>

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### 19. SHORT-TERM LOANS

	Beginning balance	Increase	Decrease	Ending balance
	VND			VND
Short-term loan from banks	<u>518,363,300,196</u>	<u>1,539,961,428,933</u>	<u>(1,356,552,904,851)</u>	<u>701,771,824,278</u>

Details of the short-term loans from banks to facilitate its working capitals are as follows:

Banks	Ending balance	Maturity date	Interest	Collateral
	VND		% p.a	
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Tien Giang Branch	369,217,237,767	From 25 January 2024 to 2 March 2024	3.0 - 5.5	Lots A IV-8, A IV-9, A VI-8 and A VI-9 land use right, all attached assets belonged to Giao Long Factory and Giao Long Factory - Phase 2 at Lot All, machineries and equipment and deposits with the value of VND 500,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ben Tre Branch	123,009,654,390	From 2 January 2024 to 1 June 2024	3.5 - 5.8	Trade receivables
HSBC Bank (Vietnam) Ltd.	105,577,895,245	From 3 January 2024 to 24 June 2024	3.0 - 6.5	Trade receivable due from Box-Pak Vietnam Co., Ltd. and other trade receivables amounting to VND 200,000,000,000
Bank of Investment and Development - Ben Tre Branch	83,630,410,496	From 18 January 2024 to 10 June 2024	2.7 - 6.0	Deposits with the value of VND 1,000,000,000, machineries and equipment and means of transportation
Shinhan bank Vietnam Limited - Ho Chi Minh City Branch	20,336,626,380	6 April 2024	4.0	Trade receivables due from Vina Sunwoo Co., Ltd
<b>TOTAL</b>	<u><b>701,771,824,278</b></u>			

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## 20. OWNERS' EQUITY

### 20.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Non-controlling interests	Total
						VND
<b>Previous year</b>						
Beginning balance	699,944,230,000	235,247,935,803	58,837,320,462	703,066,240,055	-	1,697,095,726,320
Net profit for the year	-	-	-	379,458,584,417	-	379,458,584,417
Dividends	-	-	-	(314,974,903,500)	-	(314,974,903,500)
Investment and development fund appropriation	-	-	24,067,011,531	(24,067,011,531)	-	-
Transfer to bonus and welfare fund	-	-	-	(9,626,804,612)	-	(9,626,804,612)
Remuneration of the Boards of Directors and Supervision	-	-	-	(3,597,000,000)	-	(3,597,000,000)
Ending balance	699,944,230,000	235,247,935,803	82,904,331,993	730,259,104,829	-	1,748,355,602,625
<b>Current year</b>						
Beginning balance	699,944,230,000	235,247,935,803	82,904,331,993	730,259,104,829	3,000,000,000	1,751,355,602,625
Net profit for the year	-	-	-	309,338,388,739	-	309,338,388,739
Stock dividends (Note 20.2)	104,986,250,000	-	-	(104,986,250,000)	-	-
Dividends (Note 20.2)	-	-	-	(201,232,620,000)	-	(201,232,620,000)
Investment and development fund appropriation (*)	-	-	18,972,929,221	(18,972,929,221)	-	-
Transfer to bonus and welfare fund (*)	-	-	-	(7,589,171,688)	-	(7,589,171,688)
Capital contribution	-	-	-	-	32,000,000	32,000,000
Change the ownership in a subsidiary	-	-	-	8,000,000	(8,000,000)	-
Ending balance	804,930,480,000	235,247,935,803	101,877,261,214	706,824,522,659	3,024,000,000	1,851,904,199,676

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20. OWNERS' EQUITY (continued)

20.1 Increase and decrease in owners' equity

(\*) In accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 26 June 2023, the Company's shareholders approved the appropriation of the investment and development funds, bonus and welfare funds at the rate of 5% and 2% of profit after tax of year 2022 respectively with a total amount of VND 26,562,100,909.

20.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
<b>Share capital</b>		
Beginning balance	699,944,230,000	699,944,230,000
Increase	104,986,250,000	-
Ending balance	<u>804,930,480,000</u>	<u>699,944,230,000</u>
<b>Dividends</b>		
Dividends declared (*)	225,731,206,500	314,974,903,500
Dividends paid by cash (*)	(201,232,620,000)	(314,974,903,500)
- Dividends of 2021 paid by cash	-	(209,983,269,000)
- Dividends of 2022 by cash	(120,739,572,000)	(104,991,634,500)
- Advance dividends of 2023 by cash	(80,493,048,000)	-
Issuance of new shares for dividends (**)	(104,986,250,000)	-

(\*) The Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 26 June 2023 approved the dividend payment of 2022 at 30% par value of ordinary shares in cash from the undistributed earnings of 2022 at total value of 225,731,206,500 VND.

During the year, the Company has advanced the remaining dividends of 2022 in cash to existing shareholders at the total rate of 15% par value of ordinary shares and with a total value of 120,739,572,000 VND, according to the Resolution of the Board of Directors ("BOD") No. 08/NQ-HDQT dated 25 April 2023 and No. 22/NQ-HDQT dated on 28 July 2023. The Company has completed the advance of the 1st and 2nd dividends of 2022 in cash to at total rate of 15% par value of ordinary shares and with a total value of 104,991,634,500 VND in 2022.

On 30 October 2023, the Board of Directors approved BOD Resolution No. 22/NQ-HDQT on the advance payment of the 2023 1<sup>st</sup> dividend by cash amounting to 80,493,048,000 VND.

(\*\*) The Resolution of the Annual General Meeting of Shareholders No. 01/NQ-DHDCD dated 17 June 2022 approved the dividend payment plan of 2021 in shares at ratio 100:15. The Company completed the additional issuance of 10,498,625 shares on 27 January 2023. This increase of capital was approved by the DPI of Ben Tre Province through the issuance of the 20<sup>th</sup> amended ERC on 10 January 2023.

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**20. OWNERS' EQUITY (continued)**

**20.3 Shares**

	<i>Number of shares</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorised shares	80,493,048	69,994,423
Issued and fully paid shares		
<i>Ordinary shares</i>	<i>80,493,048</i>	<i>69,994,423</i>
Shares in circulation		
<i>Ordinary shares</i>	<i>80,493,048</i>	<i>69,994,423</i>

The par value of the Company's shares is VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

**20.4 Earnings per share**

The following reflects the income and share data used in the earnings per share computations:

	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary shareholders	309,338,388,739	379,458,584,417
Distribution to bonus and welfare fund (*)	<u>(6,186,767,775)</u>	<u>(7,589,171,688)</u>
<b>Net profit after tax attributable to ordinary shareholders for basic earnings</b>	<b><u>303,151,620,964</u></b>	<b><u>371,869,412,729</u></b>
Weighted average number of ordinary shares for basic earnings per share	80,493,048	80,493,048
<b>Earnings per share</b>		
<i>Basic earnings per share</i>	3,766	4,620
<i>Diluted earnings per share</i>	3,766	4,620

(\*) Net profit used to compute earnings per share for the year ended 31 December 2023 was adjusted to deduct with estimated bonus and welfare funds to be appropriated in accordance with the AGM Resolution No 01/NQ-DHĐCD dated on 26 June 2023.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

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## 21. REVENUES

### 21.1 Revenue from sale of goods

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>3,261,255,035,745</b>	<b>3,935,865,493,523</b>
<i>Of which:</i>		
<i>Sale of finished goods</i>	3,248,916,380,991	3,915,705,346,582
<i>Sale of raw materials</i>	12,193,200,209	14,604,454,545
<i>Other sales</i>	145,454,545	5,555,692,396
<b>Sales reduction</b>	<b>(2,346,494,143)</b>	<b>(1,138,734,067)</b>
<i>Of which:</i>		
<i>Trade discounts</i>	(582,802,378)	(542,294,144)
<i>Sale allowances</i>	(714,823,445)	(421,007,673)
<i>Sales returns</i>	(1,048,868,320)	(175,432,250)
<b>Net revenue</b>	<b><u>3,258,908,541,602</u></b>	<b><u>3,934,726,759,456</u></b>
<i>Of which:</i>		
<i>Sale of finished goods</i>	3,246,569,886,848	3,914,566,612,515
<i>Sale of raw materials</i>	12,193,200,209	14,604,454,545
<i>Other sales</i>	145,454,545	5,555,692,396

### 21.2 Finance income

	VND	
	Current year	Previous year
Foreign exchange gains	12,389,568,975	15,791,906,229
Income from advance contracts from vendors	10,719,935,940	-
Interest income	5,797,097,489	3,710,660,799
Others	206,751,415	1,129,002,046
<b>TOTAL</b>	<b><u>29,113,353,819</u></b>	<b><u>20,631,569,074</u></b>

## 22. COST OF GOODS SOLD

	VND	
	Current year	Previous year
Cost of finished goods sold	2,745,293,423,308	3,300,103,403,551
Cost of material sold	10,024,794,891	18,397,562,770
Cost of others	61,500,000	5,354,724,844
<b>TOTAL</b>	<b><u>2,755,379,718,199</u></b>	<b><u>3,323,855,691,165</u></b>

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**23. FINANCE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	33,205,155,630	19,111,142,447
Foreign exchange loss	4,893,776,025	22,898,056,903
<b>TOTAL</b>	<b><u>38,098,931,655</u></b>	<b><u>42,009,199,350</u></b>

**24. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>108,078,537,833</b>	<b>119,423,890,402</b>
Expense for external services	79,022,769,491	92,735,220,107
Labour costs	18,849,098,677	17,356,170,814
Raw materials expense	5,208,932,041	5,164,856,556
Depreciation and amortisation	1,054,853,264	1,947,773,429
Others	3,942,884,360	2,219,869,496
<b>General and administration expenses</b>	<b>37,809,201,984</b>	<b>38,049,892,173</b>
Labour costs	13,567,822,414	12,227,326,432
Expense for external services	13,619,912,109	16,126,233,487
Depreciation and amortisation	2,379,924,460	3,331,486,638
Provision expense	885,883,674	1,267,913,151
Other expenses	7,355,659,327	5,096,932,465
<b>TOTAL</b>	<b><u>145,887,739,817</u></b>	<b><u>157,473,782,575</u></b>

**25. OTHER INCOME**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Compensation received	7,856,443,647	5,317,853,310
Others	-	162,671,911
<b>TOTAL</b>	<b><u>7,856,443,647</u></b>	<b><u>5,480,525,221</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

## 26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	1,828,162,705,552	2,693,472,708,148
Expense for external services	687,587,964,511	698,315,663,033
Labour costs	166,374,973,781	154,546,250,722
Depreciation and amortisation (Notes 10 and 11)	102,294,331,979	101,042,171,871
Others	72,267,930,639	56,292,530,388
<b>TOTAL</b>	<b><u>2,856,687,906,462</u></b>	<b><u>3,703,669,324,162</u></b>

## 27. PROFESSIONAL SERVICE FEES

Professional service fees incurred in current year and prior year were as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Audit fees of separate and consolidated financial statements of the Group	250,000,000	230,000,000
Other assurance service fees of the Company and its subsidiaries	245,000,000	210,000,000
<b>TOTAL</b>	<b><u>495,000,000</u></b>	<b><u>440,000,000</u></b>

## 28. CORPORATE INCOME TAX

The Group is obliged to pay corporate income tax at the rate of 20% of taxable profit.

Expansion investment project of the Company: In respect of Giao Long Phase 2 Paper factory, the Company is entitled to corporate income tax exemption for two years from its first year having taxable income (2020 - 2021) and a reduction of 50% for the following four years (2022 - 2025).

Ben Tre Packaging: This Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable income. This Company is entitled to an exemption from CIT for two (2) years commencing from the first year of earning taxable income, and a 50% reduction for the following four (4) years.

The Group's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon determination by the tax authorities.

### 28.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	47,147,958,315	58,223,965,763
Adjustment for under accrual of CIT from previous years	280,714,830	-
	47,428,673,145	58,223,965,763
Deferred tax expenses (income)	1,330,992,405	(523,693,661)
<b>TOTAL</b>	<b><u>48,759,665,550</u></b>	<b><u>57,700,272,102</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then**28. CORPORATE INCOME TAX (continued)****28.1 CIT expense (continued)**

Reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
<b>Accounting profit before tax</b>	<b>358,098,054,289</b>	<b>437,158,856,519</b>
At CIT rate applicable:	71,619,610,858	87,431,771,304
<i>Adjustments:</i>		
Non-deductible expenses	704,001,195	649,905,663
Share profit in an associate	(378,968,543)	(65,872,525)
Tax loss of a subsidiary	(223,948,776)	1,108,889,635
CIT deduction	(23,241,744,014)	(31,424,421,975)
Adjustment for under accrual of CIT from previous years	280,714,830	-
<b>CIT expense</b>	<b>48,759,665,550</b>	<b>57,700,272,102</b>

**28.2 Current tax**

The current tax payable is based on taxable income for the current year. The taxable income of the Parent company and its subsidiaries for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Parent company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

**28.3 Deferred tax**

The following are the deferred tax asset recognised by the Group, and the movement thereon, during the current and previous year:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Reversal of provisions	(971,754,561)	-	(971,754,561)	-
Unrealized profit	274,832,140	634,069,984	(359,237,844)	523,693,661
<b>Deferred tax (liability)/asset</b>	<b>(696,922,421)</b>	<b>634,069,984</b>		
<b>Deferred income tax (expenses)/income</b>			<b>(1,330,992,405)</b>	<b>523,693,661</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

## 29. TRANSACTIONS WITH RELATED PARTIES

List of related parties incurred transactions with the Company during the year is as follows:

<i>Related parties</i>	<i>Relationship</i>
Tan Cang Giao Long	Associate
Thanh Cong Energy Service Corporation ("Thanh Cong Energy")	Common key personnel

Significant transactions with related parties for current and previous year were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
			<i>VND</i>
Thanh Cong Energy	Purchase of steam	291,051,119,000	311,844,466,141
	Purchase of electricity	77,729,434,235	-
Tan Cang Giao Long	Purchases of services	39,033,607,640	24,032,568,950
	Rental fee	7,025,000,000	2,193,750,000

Amounts due to and due from related parties as at balance sheet dates were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Trade receivable</b>			
Thanh Cong Energy	Sale of fixed assets	-	1,722,999,982
<b>Short-term trade payables</b>			
Tan Cang Giao Long	Purchases of services	6,350,826,015	7,651,756,800
Thanh Cong Energy	Purchase of steam and electricity	307,540,800	29,145,915,351
<b>TOTAL</b>		<b>6,658,366,815</b>	<b>36,797,672,151</b>
<b>Advance to suppliers</b>			
Thanh Cong Energy	Purchase of steam and electricity	35,029,042,669	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

## 29. TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration to members of the Board of Directors, Management and Board of Supervision:

Individuals	Position	Remuneration (*)	
		Current year	Previous year
Mr Le Ba Phuong	Vice Chairman/ General Director	1,697,538,898	1,902,845,635
Mr Luong Van Thanh	Chairman/Deputy General Director	1,323,942,484	1,571,018,234
Ms Ho Thi Song Ngoc	Deputy General Director	1,215,065,211	1,232,184,693
Mr Nguyen Thanh Nghia	Member of BOD	99,000,000	249,000,000
Mr Le Quang Hiep	Member of BOD	-	224,500,000
Mr Marco Martinelli	Member of BOD	99,000,000	249,000,000
Mr Duong Thanh Cong	Member of BOD	99,000,000	24,500,000
Mrs Doan Thi Bich Thuy	Head of BOS	58,000,000	87,000,000
Mrs Doan Hong Lan	Member of BOS	188,786,815	216,317,797
Mr Le Hoang Phong	Member of BOS	-	55,500,000
Mr Nguyen Quoc Binh	Member of BOS	43,500,000	10,500,000
<b>TOTAL</b>		<b>4,823,833,408</b>	<b>5,822,366,359</b>

(\*) Comprising salary, allowance, bonus and other benefits.

## 30. OPERATING LEASE COMMITMENT

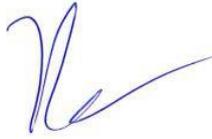
The Group leases warehouse and car lease arrangements. The minimum lease commitments as at the reporting dates under the operating lease agreements are as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	7,202,487,557	995,239,204
From 1 to 5 years	12,107,307,561	3,980,956,814
Over 5 years	26,060,670,004	29,449,451,077
<b>TOTAL</b>	<b>45,370,465,122</b>	<b>34,425,647,095</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2023 and for the year ended then

**31. EVENTS AFTER THE BALANCE SHEET DATE**

There has not been any other significant matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Phan Thi Truc Ly  
Preparer



Nguyen Hong Thanh  
Chief Accountant



Le Ba Phuong  
General Director

Ben Tre Province, Vietnam

28 March 2024





**CÔNG TY CỔ PHẦN ĐÔNG HẢI BẾN TRE**  
**DONG HAI JOINT STOCK COMPANY OF BENTRE**

ĐC: Lô A III, Khu công nghiệp Giao Long, Xã An Phước, Huyện Châu Thành, Tỉnh Bến Tre, Việt Nam  
Tel: 075.2470655 - 3611666 \* Fax: 075.3635222 - 3611222  
Email: donghaibentre@yahoo.com \* Website: www.dohacobentre.com.vn

No: 36/CV-CTDH

"Re: Explain the Consolidated results of year 2023"

Ben Tre, 28 March 2024

## REPRESENTATION REPORT

**To: - The Stage Securities Commission**  
**- Ho Chi Minh Stock Exchange**

Pursuant to Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding the Information disclosure on securities market.

According to the audited consolidated results of year 2023, DongHai Joint Stock Company of Ben Tre and its subsidiaries have the net profit after tax is VND 309,338,388,739, down 18.48% compared to year 2022, due to these following reasons:

- Production output decreased and sales volume increased, kraft paper selling price decreased, raw paper price and input costs decreased, net revenue decreased by 17.18%, cost of goods sold decreased by 17.10%.

- Financial income increased by 44.11%, mainly reason is the foreign exchange gains from payment for imported raw material to foreign suppliers.

- Financial expenses decreased by 9.31%, in which interest expense increased by 73.75%, mainly due to increased short-term loans.

- Other income increased by 43.35%, mainly reason is the increase in compensation payments from the suppliers of imported waste paper.

- Ben Tre Packaging One Member Company Limited has production output and sales output increased by 109.62% và 110.94% compared to 2022, achieving a profit of VND 918,687,555.

Detail:

Unit: VND

No.	Items	Year 2023	Year 2022	Difference	
				Value	Rate (%)
1	Net revenue from sales of goods	3,258,908,541,602	3,934,726,759,456	(675,818,217,854)	(17.18)
2	Cost of goods sold	2,755,379,718,199	3,323,855,691,165	(568,475,972,966)	(17.10)
3	Financial income	29,113,353,819	20,631,569,074	8,481,784,745	41.11
4	Financial expenses	38,098,931,655	42,009,199,350	(3,910,267,695)	(9.31)
	<i>In which: Interest expense</i>	<i>33,205,155,630</i>	<i>19,111,142,447</i>	<i>14,094,013,183</i>	<i>73.75</i>
5	Shares of profit of associate	1,894,842,717	329,362,626	1,565,480,091	475.31
6	Selling expenses	108,078,537,833	119,423,890,402	(11,345,352,569)	(9.50)
7	General and administrative expenses	37,809,201,984	38,049,892,173	(240,690,189)	(0.63)
8	Other income	7,856,443,647	5,480,525,221	2,375,918,426	43.35
9	Other expenses	308,737,825	670,686,768	(361,948,943)	(53.97)
10	Current corporate income tax expense	47,428,673,145	58,223,965,763	(10,795,292,618)	(18.54)



11	Deferred tax income	(1,330,992,405)	523,693,661	(1,854,686,066)	(354.15)
12	Net profit after tax	309,338,388,739	379,458,584,417	(70,120,195,678)	(18.48)

Dong Hai Joint Stock Company of Ben Tre kindly report to The State Securities Commission, Ho Chi Minh Stock Exchange .

Sincerely!

To:

- Above;
- Save.

**DONG HAI JOINT STOCK COMPANY OF BEN TRE  
GENERAL DIRECTOR**



*Lê Bá Phương*



# ANNUAL REPORT 2023

DONG HAI JOINT STOCK COMPANY OF BEN TRE

Ben Tre, date 18 month 04 year 2024

Legal representative

General Director



LE BA PHUONG