

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024**

**KCP VIETNAM INDUSTRIES LTD**  
**VIETNAM**

**KCP VIETNAM INDUSTRIES LTD, VIETNAM**  
**(A 100% foreign invested company licensed and incorporated in S.R. Viet Nam)**

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**KCP VIETNAM INDUSTRIES LTD**  
**VIETNAM**

### **REPORT OF THE BOARD OF MANAGEMENT AND GENERAL DIRECTOR**

The Board of Management present this report together with the audited financial statements for the fiscal year ended 31<sup>st</sup> December 2024.

- **Principal Activity:**

Production of sugar, sugar by-products, fuel ethanol, food grade alcohol and byproducts of alcohol, components, spare parts, metal containers, sugarcane seed, bio-fertilizer and power.

During the year 2024 the following resolutions have been passed by the Member's Council.

1. On 20/02/2024: To pay a dividend of USD 8,000,000 to the shareholders out of profit earned in 2023.
2. On 01/03/2024: To register for additional business fields and deletion of some business fields.
3. On 20/09/2024 : To appoint Mr. Thiruvengadam Partha Sarathy Director in place of Mr. P.S.Kumar in the Board of Management of KCPVIL with effective from 20<sup>th</sup> September 2024.
4. On 19/11/2024: To pay an additional dividend of USD 10,800,000 out of profit earned in 2023 to shareholders.

**Board of Management:**

The Board of Management and the General Director of the company from 06<sup>th</sup> March, 2020 till the date of this report are:

Board of Management

FULL NAME	POSITION
Dr.Velagapudi Lakshmana Indira Dutt	Director and Chairperson
Mrs.Velagapudi Kavitha Dutt	Director
Mr.Chitturi Ravi Kumar	Director
Mr.P.S.Kumar	Director (up to 19/09/2024)
Mr Thiruvengadam Partha Sarathy	Director (from 20/09/2024)
Mr.K.V.S.R.Subbaiah	Director and General Director

**General Director:** Mr.K.V.S.R.Subbaiah

**Comments on the results for the year 2024**

Crushing operation was commenced for the season 2023-24 on 03/01/2024 and 15/01/2024 and closed on 13/07/2024 and 11/06/2024 at Son Hoa and Dong Xuan units respectively. Son Hoa plant was operated at 10,000 TCD capacity with 30 MW Power Cogeneration plant to export the power to the national grid and Dong Xuan unit was operated at 1,000 TCD capacity. The total sugar cane crushed was 1,345,955 MTs. Raw

sugar was produced at Dong Xuan unit and transferred to Son Hoa unit for conversion in to high quality refined sugar. Company improved the sugar production by refining the locally sourced raw sugar. Company continued to purchase sugarcane based on CCS to draw the attention of the farming community to improve the sugar cane quality with a minimum assured price. The CCS and extraneous matter were evaluated based on the technical standard issued by the Ministry of Agriculture and Rural Development.

Compared to the previous season, the raw material availability for the milling was increased by 6.8%, the sugar cane area was increased by 18.8 %, average sugar cane yield was decreased by 11% and the sugar yield was increased by 8%. Company purchased sugar cane at the highest price in the history of the Company based on the prevailing sugar prices.

The power exported under FIT (Feed in Tariff) 7.03 US Cents/KWH was 97,809,912 KWH. Japan and South Korea offered high FIT for power plants consuming bio fuels to meet the 'Carbon Neutral Goal' which attracted big quantity of bio fuel exports from Vietnam. Hence adequate quantity of bio fuels at affordable prices could not be sourced to continue operation of power plant during off season after consuming surplus bagasse.

Subsequent to Decisions 1578/QD-BCT dt 15/06/2021 and 1514/QD-BCT dt 01/08/2022 to impose Anti-Dumping and Anti-Circumvention measures on sugar imported with Thailand origin from ASEAN countries, Ministry of Industry and Trade (MOIT) issued Decision no 783/QD-BCT dt 28/03/2023 to allow sugar imports from one producer from Cambodia with 5% import tax and Decision no. 1989 dt 03/8/2023 to reduce Anti-dumping and Anti-Subsidy taxes from 47.64% to 32.75% (for four producers and two sugar traders) and 30.38% (for five producers and one trader) on sugar imports from Thailand.

During the year MOIT issued Decision no 1407/QD-BCT dt 10/06/2024 to allow sugar imports from M/S Kampong Speu Sugar Co Ltd from Cambodia with 5% import tax. So far 8 sugar producers from ASEAN (3 from Laos, 2 each from Myanmar and Cambodia and 1 from Indonesia) have been allowed to export sugar products to Vietnam with 5% import tax under Decisions 1514, 783 and 1407. MOIT also issued Decision nos 3485 and 3486 dt 24/12/2024 to review the applications of M/S Wilmar Sugar Co Ltd and M/S Delicious Food Co Ltd from Myanmar to allow their sugar products to be exported to Vietnam with 5% import tax and without applying Anti-Circumvention measures under Decision no.1514.

The international sugar prices continued to drop during the year. Vietnam domestic sugar prices followed international trend under free trade and sugar prices continued to drop during the year.

Sugar from eight producers of ASEAN who enjoyed 5% import tax, sugar allowed from Australia under quota system through bidding, HFCS imported by beverage producers to replace sugar, and domestically produced sugar met the sugar demand estimated at 2 million tons in Vietnam while maintaining strong prices.

Company recorded the good business results second year in a row backed by highest ever sugar cane quantity milled, highest ever sugar quantity produced and highest ever average prices realized for sugar etc. Company's strong investment and purchase policies, favorable weather conditions, strong international sugar prices, trade remedies in place etc. are the major factors contributed to the successful results of the Company.

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Company's raw material zone received moderate rains after initial drought during the year and with good returns on sugar cane during 2023-24 season, farming community took initiative to plant additional sugar cane area for 2024-25 season to cash upon the incentive policies for plant crops announced by the Company. Overall, farmers could plant sugar cane area meeting 102% of the estimate. Company also expanded sugar cane area in neighboring districts by signing investment contracts with the farmers. The sugarcane area gained 11% but the sugar cane yield is expected to be lower for 2024-25 season compared to the season 2023-24.

### **Production**

Total sugar, molasses and power production details during the year 2024 are as follows:

Particulars	Unit	Production	Total
White Sugar (Refined Grade)	MTs	26,554	148,879
Refined Sugar	MTs	122,325	
Molasses	MTs	73,381	73,381
Power exported to the grid	Kwh	97,809,912	97,809,912

### **Sales**

During the year 124,473 tons of sugar was sold with an opening stock of 3,469 tons and leaving a closing stock of 27,875 tons. 73,381 tons of molasses was sold with an opening stock of Nil tons and leaving a closing stock of Nil as on 31<sup>st</sup> December 2024.

During the year, total power sold to EVN (Electricity of Vietnam) is 97,809,912 Kwh.

### **Financial Indicators of the Business**

1.	Asset and Equity Structure	2024	2023
1.1	Asset Structure		
	Long Term Assets / Total Assets (%)	14.00	19.67
	Current Assets / Total Assets (%)	86.00	80.33
1.2	Equity Structure		
	Total Liabilities / Total Resources (%)	16.37	15.20
	Owner's Equity / Total Resources (%)	83.63	84.80
2.	Liquidity		
2.1	Current Ratio (times)	9.78	9.79
2.2	Quick Ratio (times)	8.68	9.47
3.	Profitability		
3.1	Profit Margin		
	Net Profit Before Tax / Total Revenue (%)	28.35	25.77
	Net Profit After Tax / Total Revenue (%)	28.35	25.77
3.2	Return on Assets		
	Net Profit Before Tax / Total Assets (%)	20.14	23.77
	Net Profit After Tax / Total Assets (%)	20.14	23.77
3.3	Return on Equity		
	Net Profit After Tax / Owners' Equity (%)	24.08	28.03

### **Future Prospects**

For the season 2024-25, crushing operation was commenced at Son Hoa unit from 05/01/2025 and at Dong Xuan unit from 06/12/2024. Company issued the sugar cane purchase policy based on the CCS with a minimum assured price. Sugar cane yields are estimated to be lower compared to 2023-24 season but with improved sugarcane area, it is estimated that the sugar cane availability for the 2024-25 season will be around 1.4 million tons. Based on the prevailing sugar prices and considering higher cost of production of sugar cane, good sugarcane purchase price is announced for 2024-25 season, the highest in the history of the Company and Vietnam.

The investment policies in the form of seed, fertilizer, cash and mechanization on the raw material zone are continued. Company declared non-refundable cash incentive of 6.0 to 10.0 M'VND per ha for sugar cane plant crops and special incentives for irrigation systems for 2025-26 season to encourage farming community to continue to plant sugar cane. Incentives in the form of interest waive off on seed, fertilizer, cash, irrigation systems and mechanization investment, soft interest rate on cash investment outside the investment policy and internal transport subsidy are being continued by the Company to provide relief to the farming community. The sugar cane area for 2025-26 is estimated to meet the raw material requirement subjected to favorable weather conditions.

For 2024-25 season, sugar production from sugar cane in Vietnam is estimated at around 1.1 million tons with Central Vietnam and Highlands contributing more than 55% against a projected demand of around two million tons. So it will be a huge opportunity for Vietnam sugar industry to recover the raw material zone by taking care of the interest of farming community with favorable investment and purchase policies. Though the trade remedies are in place on sugar imports from ASEAN countries, the Vietnam market is opened for free sugar trade and any wide fluctuation in the international sugar prices may impact the domestic sugar prices and consumption.

In spite of lower sugar production estimate from India, the global sugar surplus is estimated for 2024-25 due to higher production from Thailand, Brazil and some other nations. With global sugar consumption continues to be stable or rise marginally, the international sugar prices are linked majorly to oil prices, climate impact if any in major sugar producing nations especially Brazil and production costs of major sugar exporting countries.

#### **Project Proposals:**

- 1) Company is reviewing the feasibility to invest on expansion of sugar production capacity and sugar cane areas to meet the domestic demand.
- 2) Based on the Investment Certificate no 2130740315 dt 10/11/2015 issued by DPI, Phu Yen province to invest on a 60 KLPD Capacity Distillery project at Son Hoa unit to produce fuel grade ethanol and food grade alcohol with by-products technical alcohol, CO<sub>2</sub> and fusel oil, Company acquired the required land of over 15 ha. With adequate raw material in sight, Company is reviewing the project profile and feasibility to carry out the formalities to revise the investment license to implement the project.

- 3) Based on the Investment Certificate No. 3002111545 dt 04/01/2016 to invest on a 60 MW Biomass power project, Company already invested on 30 MW Cogeneration power project. Company is reviewing to implement the second phase 30 MW as a Cogeneration facility along with proposed expansion of sugar production capacity.
- 4) Company is reviewing the feasibility to produce biomass pellets and tableware to gain value addition for surplus bagasse.

#### **Financial position and business results**

The financial position as of 31<sup>st</sup> December 2024, the business results and the cash flows for the year then ended of the company have been expressed in the financial statements attached to this report (from page 09 to page 28).

#### **Subsequent events**

The Directors of the company hereby confirm that there have been no events from 31<sup>st</sup> December 2024 to the date of this report, which need any adjustments on the figures or the disclosures in the financial statements.

#### **Auditors**

ASCO Firm Auditing and Valuation Company Limited have performed the audit on the company's financial statements for this fiscal year and have expressed their willingness to be appointed the company's external auditors in the coming years. ASCO Firm Auditing and Valuation Company Limited, HCM City Branch operate under the business Registration Certificate No. 0102374170-008 dated 05/03/2016 and Third Amendment dated 19/09/2024.

#### **Confirmations from the Board of Management**

The Directors of the company are responsible for the preparation of the financial statements to give a true and fair view of the financial position as of the balance sheet date, the business results and the cash flows of the company for each of the company's fiscal year. In order to prepare these financial statements, the Directors must:

- select the appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- announce the accounting standards to be followed for the material issues to be disclosed and explained in the financial statements and
- Prepare the financial statements of the company on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.

The Directors hereby ensure that all the requirements mentioned above have been followed when the financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly



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reflect the financial position of the company at any time and that all the financial statements have been prepared in compliance with the Vietnamese accounting system and standards.

The Directors are also responsible to protect the assets of the Company and consequently have preceded appropriate measures to prevent and to detect frauds and other irregularities.

We, the Directors of the company, confirm that all the accompanying financial statements and the notes to the financial statements have been properly prepared and have given a true and fair view of the financial position as of 31<sup>st</sup> December 2024, the business results and the cash flows for the year then ended of the company in compliance with the Vietnamese accounting system and standards as well as other related regulations.



**Dr. Velagapudi Lakshmana Indira Dutt**

Chairperson

On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam.

Date: 25/01/2025



**K.V.S.R. Subbaiah**  
General Director

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No. 612/2025/BCKT/ASCO-HCM

## INDEPENDENT AUDITOR'S REPORT

**To: Board of Management and General Director of KCP Vietnam Industries Limited**

We have audited the accompanying financial statements of KCP Vietnam Industries Limited for the fiscal year ended 31 December 2024 prepared on 25 January 2025 on pages from 09 to 28 including Balance sheet, Income statement, Cash flow and Notes to the financial statements of your Company attached with hereafter.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

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

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

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

### Opinions

In our opinion, in the all material respects, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flow for the year then ended in accordance with Vietnamese accounting standards, Vietnamese enterprise accounting system and the statutory regulations relevant to preparation and presentation of financial statements.



Asco Firm Auditing and Valuation Co., Ltd. - Ho Chi Minh City Branch

**Hua Thoi Quyen – Deputy Director**  
Audit Practicing Registration Certificate  
No. 1888-2023-149-1  
Ho Chi Minh City, 25 January 2025

**Dang Duc Chuyen – Auditor**  
Audit Practicing Registration Certificate  
No. 0345-2023-149-1

**BALANCE SHEET**

As on 31.12.2024

Unit: 1,000 dongs

ASSETS	Code	Notes	As on 31/12/2024	As on 31/12/2023
1	2	3	4	5
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>3,691,153,347</b>	<b>2,774,576,679</b>
<b>I Cash and cash equivalents</b>	<b>110</b>		<b>60,486,213</b>	<b>34,549,141</b>
1 Cash	111	V.1	60,486,213	34,549,141
2 Cash equivalents	112		-	-
<b>II. Short-term investments</b>	<b>120</b>		<b>2,047,350,000</b>	<b>1,707,150,000</b>
1 Short term investments	121	V.2a	2,047,350,000	1,707,150,000
<b>III. Accounts receivable</b>	<b>130</b>		<b>1,166,707,067</b>	<b>940,935,568</b>
1 Short-term trade receivables	131	V.3	626,950,554	480,149,202
2 Short-term advances to suppliers	132	V.3	37,266,153	17,774,259
3 Other short-term receivables	136	V.3	502,490,360	443,012,107
<b>IV. Inventories</b>	<b>140</b>		<b>414,962,628</b>	<b>90,433,870</b>
1 Inventories	141	V.4	414,962,628	90,433,870
<b>V. Other current assets</b>	<b>150</b>		<b>1,647,438</b>	<b>1,508,100</b>
1 Short-term prepaid expenses	151	V.5	1,647,438	1,508,100
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>600,878,084</b>	<b>679,253,840</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>477,004,129</b>	<b>465,959,338</b>
<b>1 Tangible fixed assets</b>	<b>221</b>	V.6	<b>477,004,129</b>	<b>465,959,338</b>
-Historical Cost	222		1,592,172,200	1,504,211,860
-Accumulated depreciation	223		(1,115,168,072)	(1,038,252,522)
<b>2 Intangible fixed assets</b>	<b>227</b>		-	-
-Historical Cost	228	V.6	456,190	456,190
-Accumulated Amortization	229		(456,190)	(456,190)
<b>III. Investment Property</b>	<b>230</b>		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>8,873,956</b>	<b>18,294,502</b>
1 Construction in progress	242	V.7	8,873,956	18,294,502
<b>V. Long term investments</b>	<b>250</b>		<b>115,000,000</b>	<b>195,000,000</b>
1 Investments held to maturity	255	V.2b	115,000,000	195,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		-	-
<b>TOTAL ASSETS( A+B)</b>	<b>270</b>		<b>4,292,031,431</b>	<b>3,453,830,519</b>

## KCP VIETNAM INDUSTRIES LTD

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For the fiscal year ended 31<sup>st</sup> December 2024

## Balance sheet (cont.)

			As on	As on
<b>LIABILITIES AND OWNER'S EQUITY</b>	<b>Code</b>	<b>Notes</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
1	2	3	4	5
<b>C. LIABILITIES</b>	<b>300</b>		<b>702,731,859</b>	<b>525,023,901</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>377,456,324</b>	<b>283,300,325</b>
1 Short-term trade payables	311	V.08	25,045,442	12,097,948
2 Short-term advance from customers	312	V.08	62,003,076	24,249,482
3 Taxes and amount payable to state budget	313	V.09	11,589,955	10,674,064
4 Payable to employees	314	V.10	21,006,540	20,371,927
5 Short-term accrued expenses	315	V.11	10,732,111	7,153,401
6 Other short-term payables	319	V.12	6,196,905	7,824,388
7 Short-term loan and financial lease	320	V.13	240,882,295	200,929,115
<b>II. Long-term liabilities</b>	<b>330</b>		<b>325,275,536</b>	<b>241,723,576</b>
1 Science and technology development funds	343	V.14	325,275,536	241,723,576
<b>D. OWNER'S EQUITY</b>	<b>400</b>		<b>3,589,299,571</b>	<b>2,928,806,618</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>3,589,299,571</b>	<b>2,928,806,618</b>
1 Paid-in capital	411	V.15	545,856,275	545,856,275
2 Undistributed earnings	421	V.15	3,043,443,296	2,382,950,343
- Undistributed earnings up to prior year-end	421a		2,179,197,389	1,561,914,614
- Net profit after tax this period	421b		864,245,907	821,035,729
<b>II. Other sources and funds</b>	<b>430</b>		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>4,292,031,431</b>	<b>3,453,830,519</b>

Dr. Velagapudi Lakshmana Indira Dutt

Chairperson

On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam

Date: 25/01/2025



K.V.S.R. Subbaiah

General Director

K.V. Rajasekhara

Manager (Finance)

**KCP VIETNAM INDUSTRIES LTD**

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**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**INCOME STATEMENT**For the fiscal year ended 31<sup>st</sup> December 2024

Unit: 1,000 dong

Items	Code	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
1	2	3	4	5
Revenues from sale of goods & rendering of services	01	VI.1	3,048,616,997	3,187,055,558
Less: deduction	02		79,718	1,547,939
Net revenues from sale of goods & rendering of services	10		3,048,537,278	3,185,507,619
Cost of goods sold	11	VI.2	2,037,514,357	2,223,033,976
Gross profit from sale of goods & rendering of services	20		1,011,022,921	962,473,643
Financial income	21	VI.3	113,371,814	135,434,530
Financial expenses	22	VI.4	27,926,615	40,580,315
- In which: Interest	23		27,548,215	40,414,423
Selling expenses	25	VI.5	93,852,320	110,297,275
General & administration expenses	26	VI.6	138,369,894	133,959,287
Operating profit / (loss)	30		864,245,907	813,071,296
Other income	31	VI.7	-	7,964,433
Other expenses	32		-	-
Other Profit (31 - 32)	40		-	7,964,433
Net Profit Before Tax	50	VI.8	864,245,907	821,035,729
Current Income Tax	51	VI.8	-	-
Deferred Income Tax	52		-	-
Net Profit After Tax	60	VI.8	864,245,907	821,035,729

**Dr. Velagapudi Lakshmana Indira Dutt**  
Chairperson

On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam

Date: 25/01/2025



**K.V. Subbaiah**  
General Director

**K.V. Rajasekhar**  
Manager (Finance)



**KCP VIETNAM INDUSTRIES LTD**

(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**CASH FLOWS STATEMENT**

(As per the Indirect Method)

For the fiscal year ended 31<sup>st</sup> December 2024

Unit: 1000 dong

Items	Code	Notes	Current Year	Previous Year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Net profit/(loss) before tax</b>	<b>01</b>		<b>864,245,907</b>	<b>821,035,729</b>
<b>2. Adjustments for:</b>				
Depreciation for fixed assets and investment properties	02	V.6	65,467,282	76,408,173
Provisions	03		-	-
Gain (loss) from foreign exchange differences	04		-	-
Gain (loss) from investing activities	05		-	-
Loan interest expenses	06	VI.4	27,548,215	40,414,423
Other adjustments	07		-	-
<b>3. Operating profit/(loss) before changes in working capital</b>	<b>08</b>		<b>957,261,404</b>	<b>937,858,325</b>
(Increase)/decrease in receivables	09		(225,910,837)	(376,381,704)
(Increase)/decrease in inventories	10		(324,528,758)	143,228,484
Increase/(decrease) in payables	11		171,351,366	(1,127,573)
(Excluding interest payable, corporation income tax)				
Increase/(decrease) in prepaid expenses	12		3,578,710	2,883,518
Interests trading securities	13		-	-
Interest paid	14	VI.4	(27,548,215)	(40,414,423)
Business income tax paid	15		-	-
Other receipts from operating activities	16		-	-
Other payments on operating activities	17		(25,727,257)	80,414,697
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>528,476,412</b>	<b>746,461,324</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets and other long-term assets	21	V.6,7	(78,539,566)	(16,221,633)
Proceeds from disposals of fixed assets and other long-term assets	22		-	-
Loans given and purchases of debt instruments of other entities	23		-	-
Collections of loans given and disposals of debt instruments of other entities	24		3,227,050,000	1,771,698,000
Investments in other entities	25		(3,487,250,000)	(2,405,798,000)
Withdrawals of investments in other entities	26		-	-
Receipts of loan interests, dividends and profit shared	27		-	-
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(338,739,566)</b>	<b>(650,321,633)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	33	V.13	2,347,302,599	1,976,066,426
Repayments of borrowings	34	V.13	(2,307,349,419)	(1,918,786,538)
Payments for financial leasehold assets	35		-	-
Dividends and profit paid to the owners	36	V.15	(203,752,954)	(141,114,667)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(163,799,774)</b>	<b>(83,834,779)</b>
<b>Net cash flows during the period</b>	<b>50</b>		<b>25,937,072</b>	<b>12,304,912</b>

**KCP VIETNAM INDUSTRIES LTD**

(A 100% foreign invested company licensed and incorporated in S.R.Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**CASH FLOWS STATEMENT - Contd.,**

Unit: 1,000 dongs

Items	Code	Notes	Current Year	Previous Year
Cash and cash equivalents at the beginning of the year/(period)	60	V.1	34,549,141	22,244,229
Effects of fluctuations in foreign exchange rates	61		-	-
Cash and cash equivalents at the end of the year/(period)	70	V.1	60,486,213	34,549,141

  
**Dr. Velagapudi Lakshmana Indira Dutt**  
Chairperson


On behalf of the Board of Management

Phu Yen Province, S.R. Vietnam

Date: 25/01/2025



  
**K.V.S.R. Subbaiah**  
General Director

  
**K.V. Rajasekhar**  
Manager (Finance)

## KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

### FINANCIAL STATEMENTS

For the fiscal year ended 31<sup>st</sup> December 2024

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year 2024

These notes are integral part of and should be read in conjunction with the financial statements from 01<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024 of KCP VIETNAM INDUSTRIES LTD, VIETNAM ("the Company").

### I. OPERATION FEATURES

#### 1. Investment form :

KCP Vietnam Industries Limited ("Company") was established as a 100% foreign invested enterprise in Vietnam under Investment License No. 1969/GP dated 09/08/1997, 1969/GPDC1 dated 26/06/1998, 1969/GPDC2 dated 23/04/1999, 1969/GPDC3 dated 19/05/2000, 1969/GPDC4 dated 22/08/2005, 1969/GPDC5 dated 16/06/2006 issued by Ministry of Planning and Investment. License No. 1969/GCND6/36/1 dated 02/10/2007, 361 023 000 028 dated 27/10/2011, License No.361 023 000 026 dated 06/04/2011 for Son Hoa Bio-fertilizer project, Amendment License no. 361 023 000 028 dated 13/04/2011 to incorporate some corrections in the License no. 361 023 000 014 dated 08/12/2009, Amendment No.2 dated 27/10/2011 and Amendment No.3 dated 18/04/2013 to License No.361 023 000 028 and Certificate No.03/GXN Dated 25/09/2013 issued by Province Peoples' Committee (PPC) of Phu Yen, Amendment No.4 dated 19/09/2014 to License No.361 023 000 028 issued by PPC of Phu Yen for the expansion of the Son Hoa sugar refinery, Amendment No.5 dated 13/05/2015 to License no 361 023 000 028 incorporating additional details and Investment Certificate no 2130740315 dt 10/11/2015 issued by Department of Planning and Investment (DPI), Phu Yen province to set up a 60,000 Liters/day capacity distillery unit, Investment Certificate No. 3002111545 dt 04/01/2016 to invest on a 60 MW Biomass power project, Certificate No.3724/16 dt 10/08/2016 to incorporate change in the content of the business field in the Business Registration Certificate, Amendment No.6 dated 10/08/2016, Amendment No.7 dated 08/02/2017, Amendment No 8 dated 17/01/2022 to Business Registration Certificate issued by DPI, Phu Yen Province and Certificate of change of business registration content No. 3010/24 dated 26/04/2024 issued by DPI.

#### • Total Investment Capital and Legal Capital of the Company as on 31.12.2024 are as follows:

Legal capital : USD 30,485,000

Investment capital: USD 103,987,000

#### • Head office:

Address : 24/3 street, Cung Son Town, Son Hoa District, Phu Yen Province

Tel : 0084 257 3861613

Fax : 0084 257 3861616

Tax code : 3300100811

2. Operating field : Production and processing.

3. Main operations : Production of sugar, sugar by-products and power.

#### 4. Normal operating cycle

The company's normal operating cycle is within 12 months.

5. Employees : As at the balance sheet date, there have been 441 employees working for the company (Beginning balance: 422 employees).



## **KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

### **FINANCIAL STATEMENTS**

For the fiscal year ended 31<sup>st</sup> December 2024

#### **Notes to the financial statements (cont.)**

---

## **II. FISCAL YEAR AND STANDARD CURRENCY USED IN ACCOUNTING**

### **1. Fiscal year**

The fiscal years of the company are from 01<sup>st</sup> January to 31<sup>st</sup> December annually.

### **2. Standard currency unit**

The standard currency unit used is Vietnam Dong (VND).

## **III. ACCOUNTING SYSTEM AND STANDARDS**

### **1. Accounting system**

The Company applies the Vietnamese Enterprise Accounting System in accordance with the Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by Ministry of Finance and relevant amendment documents.

### **2. Statement on the compliance with the accounting system and standards**

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and Standards in the preparation of these financial statements.

### **3. Accounting form**

The company has applied the general journal recording form.

## **IV. ACCOUNTING POLICIES**

### **1. Accounting convention**

All the financial statements are prepared in accordance with the historical cost convention.

### **2. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash in bank and cash in transit and short-term Investments of which the due dates cannot exceed 3 months from the dates of the investments and the Convertibility into cash is easy and which do not have a lot of risks in the conversion into cash.

### **3. Financial investments**

Investments held to maturity comprise term deposits held to maturity to earn profits periodically.

### **4. Trade receivable and other receivable**

Trade receivable and other receivable are recognized at the values on supporting documents and invoices. The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expenses in the income statement.

### **5. Inventories**

Inventories are recorded at their original costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

## KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

### FINANCIAL STATEMENTS

For the fiscal year ended 31<sup>st</sup> December 2024

#### Notes to the financial statements (cont.)

---

#### 6. Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

#### 7. Fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

<u>Fixed assets</u>	<u>Years</u>
Buildings	25
Machinery	12
Means of Transportation	05-06
Others	05

#### 8. Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### 9. Borrowing costs

Borrowing costs are included into expenses during the period. In case the borrowing costs are directly related to the construction or the production of an asset in progress, which has taken a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be capitalized.

In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are computed at the average interest rates on the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

#### 10. Owner's equity

The Company's capital is recorded according to the actual amount already invested by owners.

#### 11. Recognition of sales

Sales of finished goods are recognized when most of risks and benefits associated with the goods ownership are transferred to customers and there are no uncertain factors related to payments, additional costs or sales returns.

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

#### **Profit**

## KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

### FINANCIAL STATEMENTS

For the fiscal year ended 31<sup>st</sup> December 2024

#### Notes to the financial statements (cont.)

---

Profit is recognized over time and actual interest rates every period.

#### 12. Costs of goods sold

The recognition of cost of goods sold is matched against revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year.

#### 13. Financial expenses

Items recorded into financial expenses comprise:

Expenses or losses relating to financial investment activities;

-Borrowing costs;

-Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;

-Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

#### 14. Expenses

Expenses are those that result in outflows of the Company's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

#### 15. Corporate income tax

In accordance with Investment License No.361 023 000 028 dated 13.05.2015, the tax company has to pay to the state budget:

Corporate Income Tax equal to 10% of yearly profit.

In accordance with Investment License No.361 023 000 028 dated 13.05.2015 and Decree No.218/ND9-CP dated 26/12/2013: The company may choose to enjoy CIT incentives for their operating projects for the remaining duration for sugar refinery project to 10,000 TCD.

In accordance with Decree No.12/2015/ND-CP dated 12/02/2015 and Circular No.96/2015/TT-BTC dated 22/06/2015, the company is exempted from Corporate Income Tax. Excerpt from Clause 1, Article 6 of Circular 96/2015/TT-BTC: "Income of enterprises from cultivation, livestock farming, aquaculture, processing of agricultural and aquatic products in areas with particularly difficult socio-economic conditions".

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**

For the fiscal year ended 31<sup>st</sup> December 2024

**Notes to the financial statements (cont.)**

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

**16. Foreign currency translation**

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual exchange rates ruling at the date of the transaction.

At the end of the period, 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 Company conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All realized and unrealized foreign exchange differences are taken to the income statement.

The exchange rates used as at 31/12/2024:

Selling rate : VND 25,551 /USD

**17. Related parties**

Parties are considered to be related parties of the Company 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 Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET**

Unit: 1,000 dongs

**1. Cash and cash equivalents:**

	<b>Ending balance</b>	<b>Beginning balance</b>
Cash on hand	46,010	249,014
Cash in bank	60,440,203	34,300,127
<b>Total</b>	<b>60,486,213</b>	<b>34,549,141</b>

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)****2. Investment held for maturity**

	Ending balance		Beginning balance	
	Original prices	Book value	Original prices	Book value
<b>2.a Short term investments</b>				
BIDV, Binh Dinh	187,400,000	187,400,000	278,800,000	278,800,000
HD Bank, Phu Yen	422,500,000	422,500,000	246,400,000	246,400,000
Vietin Bank, Phu Yen	642,200,000	642,200,000	574,100,000	574,100,000
ACB Bank, Phu Yen	32,000,000	32,000,000	9,300,000	9,300,000
Sacom Bank, Phu Yen	442,650,000	442,650,000	547,750,000	547,750,000
Kienlong Bank, Phu Yen	6,000,000	6,000,000	26,800,000	26,800,000
Viet Post Bank, Phu Yen	312,600,000	312,600,000	24,000,000	24,000,000
Vietcom Bank, Phu Yen	2,000,000	2,000,000	-	-
<b>Total</b>	<b>2,047,350,000</b>	<b>2,047,350,000</b>	<b>1,707,150,000</b>	<b>1,707,150,000</b>
<b>2.b Long term investments</b>				
Long term investment (bonds) in Banks	115,000,000	115,000,000	195,000,000	195,000,000
<b>Total</b>	<b>115,000,000</b>	<b>115,000,000</b>	<b>195,000,000</b>	<b>195,000,000</b>

**3. Accounts receivable**

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
Trade Accounts Receivable	626,950,554	-	480,149,202	-
Prepayment to suppliers	37,266,153	-	17,774,259	-
Other receivable	502,490,360	-	443,012,107	-
<b>Total</b>	<b>1,166,707,067</b>	<b>-</b>	<b>940,935,568</b>	<b>-</b>

Details of accounts receivable: Please see attachment.

**4. Inventories**

	Ending balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Tools and supplies	55,874,021	-	46,555,259	-
Finished goods	359,088,607	-	43,878,611	-
<b>Total</b>	<b>414,962,628</b>	<b>-</b>	<b>90,433,870</b>	<b>-</b>

**5. Other current assets**

	Ending balance	Beginning balance
Prepaid Insurance Expenses	1,647,438	1,508,100
<b>Total</b>	<b>1,647,438</b>	<b>1,508,100</b>

**6. Tangible & Intangible fixed assets: Please see attachment**

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)****7. Construction-in-progress**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Transfer to fixed assets</b>	<b>Ending Balance</b>
Plant & Machinery	10,290,428	76,140,591	82,229,328	4,201,691
Pre-Operative expenses	456,792	2,399,203	2,749,965	106,030
Buildings	2,981,047	-	2,981,047	-
Ethanol Plant	4,566,235	-	-	4,566,235
<b>Total</b>	<b>18,294,502</b>	<b>78,539,794</b>	<b>87,960,340</b>	<b>8,873,956</b>

**8. Payable to suppliers & Advances from Customers**

	<b>Ending Balance</b>		<b>Beginning Balance</b>	
	<b>Outstanding Balance</b>	<b>Amount can be paid</b>	<b>Outstanding balance</b>	<b>Amount can be paid</b>
Trade Accounts Payable	25,045,442	25,045,442	12,097,948	12,097,948
Advances from Customers	62,003,076	62,003,076	24,249,482	24,249,482
<b>Total</b>	<b>87,048,518</b>	<b>87,048,518</b>	<b>36,347,430</b>	<b>36,347,430</b>

Details of accounts payable: Please see attachment

**9. Taxes and other obligations to the State Budget**

	<b>Beginning balance</b>	<b>Amount payable</b>	<b>Amount paid</b>	<b>Ending balance</b>
VAT	10,673,212	132,153,237	131,237,829	11,588,920
VAT for import goods	-	2,967,014	2,967,014	-
License fees	-	4,000	4,000	-
Export, import taxes	-	347,363	347,363	-
Natural resource tax	852	206,196	206,013	1,035
<b>Total</b>	<b>10,674,064</b>	<b>135,677,810</b>	<b>134,762,219</b>	<b>11,589,955</b>

**10. Payable to employees**

	<b>Ending balance</b>	<b>Beginning balance</b>
Payable to employees	21,006,540	20,371,927
<b>Total</b>	<b>21,006,540</b>	<b>20,371,927</b>

**11. Accrued expenses and other provisions**

	<b>Ending balance</b>	<b>Beginning balance</b>
Accrued expenses	10,732,111	7,153,401
<b>Total</b>	<b>10,732,111</b>	<b>7,153,401</b>

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)**

12. Other payable	Ending balance	Beginning balance
Trade Union fee	353,751	250,856
Staff Income Tax Payable	322,223	146,636
Other Payables	5,520,931	7,426,896
<b>Total</b>	<b>6,196,905</b>	<b>7,824,388</b>

13. Short-term loan and financial lease	Ending balance	Beginning balance
Vietin Bank, Phu Yen	177,674,219	137,597,532
BIDV Bank, Binh Dinh	63,208,076	63,331,583
<b>Closing balance</b>	<b>240,882,295</b>	<b>200,929,115</b>

*Arising details of short-term loans are as follows:*

	Beginning balance	Amount arising	Amount already paid	Ending balance
Vietin Bank, Phu Yen	137,597,532	1,233,860,784	1,193,784,096	177,674,219
BIDV Bank, Binh Dinh	63,331,583	1,113,441,815	1,113,565,323	63,208,076
<b>Total</b>	<b>200,929,115</b>	<b>2,347,302,599</b>	<b>2,307,349,419</b>	<b>240,882,295</b>

**14. Scientific and technological development fund***14.1 Scientific and technological development fund*

	Ending balance	Beginning balance
Opening balance	180,086,298	98,843,933
Increase during the year	95,000,000	91,000,000
Utilizing Fund	(25,727,256)	(9,757,635)
<b>Closing balance</b>	<b>249,359,042</b>	<b>180,086,298</b>

*14.2 Scientific and technological development fund that forms fixed assets*

	Ending balance	Beginning balance
Opening balance	61,637,278	62,464,946
Increase during the year	25,727,257	9,757,635
Utilizing Fund (depreciation expenses)	(11,448,041)	(10,585,303)
<b>Closing balance</b>	<b>75,916,494</b>	<b>61,637,278</b>

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)****15. Owner's equity**

Owners invested equity as follows

	<u>As in the company's charter</u>		<u>Legal capital already invested</u>
	<u>USD</u>	<u>Rate (%)</u>	<u>(USD)</u>
The KCP Ltd	20,323,332	66.667	20,323,332
The G V Reddy GST Exempt Irrevocable Trust	4,996,152	16.389	4,996,152
Dr V L Dutt KCP Welfare fund	4,742,111	15.556	4,742,111
Subba Rao Vallabhaneni	84,681	0.278	84,681
Uma Subba Rao Vallabhaneni	84,681	0.278	84,681
Devasena Vallabhaneni	84,681	0.278	84,681
Krishna Prasad Vallabhaneni	84,681	0.278	84,681
Raghuvveer Vallabhaneni	84,681	0.278	84,681
<b>Total</b>	<b>30,485,000</b>	<b>100%</b>	<b>30,485,000</b>

**Statement of fluctuations in owner's equity**

	<u>Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Opening balance of the previous year	545,856,275	1,703,029,281	2,248,885,556
Capital increased in the previous year	-	-	-
Profit of the previous year	-	821,035,729	821,035,729
Profit distribution of the previous year	-	(141,114,667)	(141,114,667)
<b>Closing balance of the previous year</b>	<b>545,856,275</b>	<b>2,382,950,343</b>	<b>2,928,806,618</b>
Opening balance of the current year	545,856,275	2,382,950,343	2,928,806,618
Capital increased in the year	-	-	-
Profit of the current year	-	864,245,907	864,245,907
Profit distribution of the current year	-	(203,752,954)	(203,752,954)
<b>Closing balance of the current year</b>	<b>545,856,275</b>	<b>3,043,443,296</b>	<b>3,589,299,571</b>

**16. Off-Balance Sheet Items**

Items

Foreign currency:  
(USD)Ending balanceBeginning balance

1,594.64

**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT**

Unit: 1,000 dongs

**1. Sales**

	<u>Current year</u>	<u>Previous year</u>
<b>Gross sales</b>	<b>3,048,616,997</b>	<b>3,187,055,558</b>
<i>Sales of finished goods</i>	2,882,189,098	3,022,156,027
Deductions:	79,718	1,547,939
<i>Sales of power</i>	166,427,899	164,899,531
<b>Net sales</b>	<b>3,048,537,279</b>	<b>3,185,507,619</b>
<i>In which:</i>		
<i>Sales of finished goods</i>	2,882,109,380	3,020,608,088
<i>Sales of power</i>	166,427,899	164,899,531



**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)****2. Costs of goods sold****2.1 Costs of sugar, sugar by-products**

	<b>Current year</b>	<b>Previous year</b>
Direct materials	1,987,348,986	1,693,064,319
Direct labor	67,065,370	57,237,268
General manufacturing expenses	110,111,854	142,237,829
<b>Total manufacturing expenses</b>	<b>2,164,526,210</b>	<b>1,892,539,416</b>
Differences on work-in-process	-	-
Total costs of goods manufactured	2,164,526,210	1,892,539,416
Differences of finished goods	(315,209,996)	146,203,050
<b>Costs of finished goods already provided</b>	<b>1,849,316,214</b>	<b>2,038,742,466</b>

**2.2 Costs of power**

	<b>Current year</b>	<b>Previous year</b>
Direct materials	138,464,035	128,329,064
Direct labor	4,537,272	6,361,040
General manufacturing expenses	45,196,836	49,601,406
<b>Costs of power manufactured already provided</b>	<b>188,198,143</b>	<b>184,291,510</b>
<b>Total</b>	<b>2,037,514,357</b>	<b>2,223,033,976</b>

**3. Financial income**

	<b>Current year</b>	<b>Previous year</b>
Interest received from banks	113,371,814	135,434,530
<b>Total</b>	<b>113,371,814</b>	<b>135,434,530</b>

**4. Financial expenses**

	<b>Current year</b>	<b>Previous year</b>
Interest on Long-term and Short-term loan	27,548,215	40,414,423
Loss on realized foreign exchange	378,400	165,892
<b>Total</b>	<b>27,926,615</b>	<b>40,580,315</b>

**5. Selling expenses**

	<b>Current year</b>	<b>Previous year</b>
Packing Materials	15,047,852	20,106,762
Freight - outward	59,462,475	68,868,639
Other expenses	19,341,993	21,321,874
<b>Total</b>	<b>93,852,320</b>	<b>110,297,275</b>

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

**FINANCIAL STATEMENTS**For the fiscal year ended 31<sup>st</sup> December 2024**Notes to the financial statements (cont.)****6. Administrative overheads**

	<b>Current year</b>	<b>Previous year</b>
Expenses for employees & benefits	34,505,615	34,740,515
Depreciation of fixed assets	545,437	504,159
Provision for Science & Technology Fund	95,000,000	91,000,000
Other Administrative overheads	8,318,842	7,714,613
<b>Total</b>	<b>138,369,894</b>	<b>133,959,287</b>

**7. Other income**

	<b>Current year</b>	<b>Previous year</b>
Miscellaneous receipts	-	7,964,433
<b>Total</b>	<b>-</b>	<b>7,964,433</b>

**8. Current corporate income tax (Unit: 1,000 dong)**

Estimated corporate income tax payable during the current year:

	<b>Current year</b>	<b>Previous year</b>
<b>Total accounting profit before tax</b>	<b>864,245,907</b>	<b>821,035,729</b>
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax:		
<b>Increases</b>	<b>686,000</b>	<b>755,307</b>
<i>Expenses of Son Hoa (Not Allowed)</i>	<i>674,000</i>	<i>747,307</i>
<i>Expenses of Dong Xuan (Not Allowed)</i>	<i>12,000</i>	<i>8,000</i>
<b>Decreases</b>	<b>-</b>	<b>-</b>
<b>Total taxable income</b>	<b>864,931,907</b>	<b>821,791,036</b>
Corporate income tax rate	10%	10%
<b>Estimated corporate income tax payable</b>	<b>86,493,191</b>	<b>82,179,104</b>
<b>Exemption 100% As per Circular 96/2015/TT-BTC dated 22/06/2015</b>	<b>(86,493,191)</b>	<b>(82,179,104)</b>
<b>CIT Payable</b>	<b>-</b>	<b>-</b>

**9. Business operating expenses by sector**

	<b>Current year</b>	<b>Previous year</b>
Raw materials expenses	2,152,897,650	1,872,973,793
Labor cost	106,108,257	98,338,823
Depreciation expenses	65,467,282	65,822,870
External services expenses	153,462,360	192,808,968
Other expenses by cash	107,011,018	91,143,034
<b>Total</b>	<b>2,584,946,567</b>	<b>2,321,087,488</b>

## KCP VIETNAM INDUSTRIES LIMITED

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)

### FINANCIAL STATEMENTS

For the fiscal year ended 31<sup>st</sup> December 2024

#### Notes to the financial statements (cont.)

## VII. Additional Information:

### 1. Transactions with related parties.

Related parties of the Company include:

<u>Related parties</u>	<u>Relationship</u>
The KCP Ltd	The parent company

During the year, the company has made the following transactions with the related parties:  
Non incurred.

As of the balance sheet date, the accounts payable to and receivable from the related parties are as follows:  
Nil.

### 2. Events after closing date


No events after closing date have affected significantly in the following fiscal years and have been adjusted or mentioned in the financial statement.

  
**Dr. Velagapudi Lakshmana Indira Dutt**  
**Chairperson**

On behalf of Board of Management  
Phu Yen Province, S.R. Vietnam  
Date: 25/01/2025



  
**K.V.S.R. Subbaiah**  
**General Director**

  
**K.V. Rajasekhar**  
**Manager (Finance)**

**KCP VIETNAM INDUSTRIES LIMITED**

(A 100% foreign invested company licensed and incorporated in S.R. Vietnam)  
FINANCIAL STATEMENTS

For the Fiscal year ended 31<sup>st</sup> December 2024

**INCREASE AND DECREASE OF FIXED ASSETS AS AT 31.12.2024**

Unit : 1,000 dongs

Item	Buildings	Plant & Machinery	Intangible Assets	Means of Transportation	Office Equipment and Others	Dong Xuan Assets	Total
1/Original price							
+ At 01/01/2024	229,562,566	1,260,126,430	456,190	8,008,609	4,391,763	2,122,492	1,504,668,050
+ Increase during the year	33,193,006	54,395,960	-	34,874	336,500	-	87,960,340
+ Decrease during the year	-	-	-	-	-	-	-
+ At 31/12/2024	262,755,572	1,314,522,390	456,190	8,043,483	4,728,263	2,122,492	1,592,628,390
In which, fully depreciated assets still in use	-	465,255,192	456,190	5,031,615	3,883,319	2,122,492	476,748,808
2/Depreciation							
+ At 01/01/2024	100,139,371	924,637,212	456,190	7,164,922	4,188,526	2,122,492	1,038,708,712
+ Increase during the year	9,293,015	55,629,057	-	349,144	196,066	-	65,467,282
- Decrease during the year	-	-	-	-	-	-	-
2.1 Depreciation - Sci & Tech	-	-	-	-	-	-	-
+ Increase during the year	-	11,448,267	-	-	-	-	11,448,267
+ At 31/12/2024	109,432,386	991,714,536	456,190	7,514,066	4,384,592	2,122,492	1,115,624,261
3/ Net book value							
+ At 01/01/2024	129,423,195	335,489,218	-	843,687	203,237	-	465,959,338
+ At 31/12/2024	153,323,186	322,807,854	-	529,417	343,671	-	477,004,129